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Near East/South Asia Report

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GCC SEEKS TO REDUCE DEPENDENCE ON FOREIGN MANPOWER

LDI41054 Vienna Opecna in English 1010 GMT 14 Jun 85

/By Mohamed Tarek Zaki, Opecna correspondent/

/Text/ Prompted by a desire to encourage national expertise, and given the current slow pace of overall development, the Gulf countries are seeking ways to lessen their dependence on foreign workforce.

A recent report by the British bank of the Middle East says that the economic slowdown in the Gulf region during 1984 resulted in a capital outflow of 25 billion dollars and an exodus involving 700,000 foreign workers.

Recent statements by Gulf officials emphasize the same tendency, spelling out a desire to dispense with 1 million foreign workers over the next 5 years in the 6 countries constituting the Gulf Cooperation Council (GCC).

Saudi Arabia, which hosted 3 million foreign workers at one time--70 percent of the entire workforce in the country according to 1983 estimates--is expected to send home 600,000 foreigners.

In 1970-75, Arab residents in Kuwait constituted about 80 percent of the country's population, however, this percentage declined to about 70 percent in 1983.

Estimates show that the UAE hosted more than 1 million foreigners in 1983, including 300,000 Arabs and 300,000 people from the subcontinent.

A regional survey shows that between 390,000 to 400,000 foreigners--more than 6 percent of the entire foreign manpower and about 3 percent of the total population of the 6 GCC countries--had left the region by the end of 1983. This figure was expected to reach half a million at the end of last year.

Workers in the construction sector, which flourished in the 1970's and early 1980's, constitute 25 percent of the foreign workforce in the Gulf.

University graduates in the Gulf countries began replacing foreigners, wherever possible, especially in clerical jobs in government departments and as teachers.

Finding jobs for eligible citizens has become one of the top priorities for Gulf governments. Special committees have been formed for this purpose in Bahrain. In Qatar, a committee chaired by the finance and petroleum minister, Shaykh 'Abd al-Aziz Ibn Khalifa al-Thani, is in charge of studying the absorption of local graduates into various government departments.

The tendency to prepare local manpower for roles in the development of the Gulf countries is being taken more seriously than ever before. Training courses are being organized at local and regional levels.

In their second conference held in Riyadh in April last year, GCC ministers of labor agreed to guarantee the optimum means for providing work opportunities for their citizens.

Some official statistics show that there are about 4 million foreign workers in GCC countries, with Asians representing 82 percent. The ratio of foreign manpower ranges from 90 to 40 percent of the total workforce in Gulf countries at present.

To curb the import of foreign manpower, GCC labor ministers recommended at their third conference in Riyadh last month that foreign workers should be recruited only when and where necessary, with priority given to local and Arab nationals.

The ministers asked the secretariat to conduct a survey of local manpower and its problems and to propose the best means of employing GCC citizens, with the ultimate objective of cutting dependence on imported workforce.

CSO: 4400/173

10 July 1985

ISLAMIC AFFAIRS

BRIEFS

LOAN TO ALGERIA--An agreement was signed at the Islamic Development Bank /IDB/ headquarters in Jeddah today. According to the agreement the bank will finance the import of intermediary industrial commodities in the favor of the National Iron and Steel Company in Algeria worth US\$50 million. The agreement was signed by the IDB vice chairman and the financial director of the National Iron and Steel Company in Algeria. /Summary/ /Riyadh SPA in Arabic 1615 GMT 26 May 85/

MORE IDB LOANS--The Executive Council of the Islamic Development Bank /IDB/ has approved 94.195 million Islamic dinars, or \$91.837 million, for financing various development projects, including the import of thousands of pieces of equipment for the United Textile Industries in Tunisia (sitar), and 5.520 million Islamic dinars, or \$5.295 million, for modernizing and enlarging the quantity and quality of the company's production. The IDB will loan 10.3 million Islamic dinars to the development program in Tunisia, to be paid back over 25 years. The IDB will loan \$16 million to the YAR to finance a grain storage project. The IDB will loan 6.5 million Islamic dinars, or \$5.742 million, to Chad to finance a rice production project. The IDB will loan 4.2 million Islamic dinars, or \$4 million, to Uganda to finance a rice project. The IDB will loan 20 million Islamic dinars, or \$19.75 million, to Algeria to finance a drinking water project. The IDB will loan 9.8 million Islamic dinars, or \$9.7 million, to Jordan to build four secondary schools. /Summary/ /Riyadh SPA in Arabic 0930 GMT 13 Jun 85/

IDB LOANS--The council of executive managers of the Islamic Development Bank /IDB/ has approved seven foreign trade operations totaling 88.16 million Islamic dinars, or \$87 million, which include the importation of refined oil products from one of the IDB member-countries on behalf of Benin, worth \$5 million, the importation of refined oil products from one IDB member-country on behalf of the YAR worth \$21.5 million, the importation of auxiliary industrial commodities on behalf of Algeria totaling \$40 million, the importation of phosphorous rocks from one of the IDB countries on behalf of Bangladesh worth \$5 million, and the importation of pipes and sheet iron from Turkey on behalf of Syria, totaling \$11.657 million. /Summary/ /Riyadh SPA in Arabic 2005 GMT 11 Jun 85/

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ARMENIAN AFFAIRS

TERCUMAN: NATO CONFERENCE THREATENED BY 'ARMENIAN TERRORISTS'

Istanbul JAMANAK in Armenian 7 Jun 85 p 1

[Text] Estoril (TERCUMAN)--Armenian terrorists who collaborate with the Marxist Portuguese terrorist organization known as the "25 April Popular Forces" have threatened to launch an attack against the NATO Foreign Ministers' Conference which began in the Portuguese town of Estoril.

The Portuguese police were immediately alerted, and emergency security measures were put in place.

Very strict security measures were taken around Turkish Foreign Minister Vahit Halefoglu.

Police officials stated that they always take threats by the 25 April Popular Forces seriously. They also disclosed that this organization collaborates with Armenian and Spanish terrorists.

The 25 April Popular Forces recently fired a rocket on an American warship docked at Estoril. As a result, during the NATO conference the town will be guarded by gunboats from the sea and by helicopters from the air.

On 7 June 1982, Armenian terrorists staged an armed assault in Lisbon on the Turkish embassy's administrative attache Erkut Akbay and his spouse Nadide Akbay. Erkut Akbay died instantly, and Nadide Akbay died after a lengthy period of coma. The assailants were not caught.

Meanwhile, Foreign Minister Halefoglu met with several officials yesterday. Halefoglu's most notable meeting was with British Foreign Secretary Sir Geoffrey Howe. The British Foreign Secretary demanded from Halefoglu that Turkey approve the second draft agreement prepared by the UN Secretary General in connection with the Cyprus issue. Howe also demanded that the presidential and general elections to be held in [northern] Cyprus this month be cancelled.

Halefoglu, however, rejected these demands.

Halefoglu also had a meeting with U.S. Secretary of State George Shultz and expressed his satisfaction with the fact that the U.S. House of Representatives did not endorse the Armenian resolution. Shultz replied that a visit to Turkey by the House Armed Forces Committee played an important role in that result.

Halefoglu also had an interesting meeting with French External Relations Minister Roland Dumas.

ARMENIAN AFFAIRS

TURKISH FOREIGN MINISTER: ARMENIANS, RECOGNIZE YOUR EXPLOITERS

Istanbul MARMARA in Armenian 31 May 85 p 1

[Text] Ankara--Turkish diplomats martyred overseas as a result of Armenian terrorist acts were commemorated yesterday by a special ceremony at the "Foreign Affairs Martyrs" section of the Cebeci cemetery. The memory of the martyred diplomats has been honored every 30th of May since 1982. The ceremonies are attended by relatives and friends of the martyrs as well as foreign ministry representatives and other officials.

During yesterday's ceremonies, Foreign Minister Vahit Halefoglu said among other things: "Oh martyrs! The Armenians will some day recognize their exploiters and kneel before you to ask for your forgiveness."

Address to Armenian Community

Halefoglu then addressed the Armenian community and said: "Recognize the individuals and circles who want to deceive you for their own bloody and base motives. Be careful about those who want to use the Armenian youth as a tool for their own political ends and who send them to their deaths. All those who want to remind the world of the existence of the Armenian nation through terrorism are committing a great evil. Such individuals or circles do not have the courage to unveil their faces and to expose their true identity to you, the world and history."

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ARMENIAN AFFAIRS

TURKISH DISSIDENTS TO BE TRIED FOR COOPERATION WITH ASALA

Istanbul MARMARA in Armenian 25 May 85 pp 1,4

[Text] Ankara--The most prominent "godfather" of Southeastern Anatolia, Behcet Canturk, is facing a new trial in which he will be charged with collaborating with the Armenian secret terrorist organization ASALA [Armenian Secret Army for the Liberation of Armenia].

On 16 August 1983, Armenian terrorists assaulted the Grand Bazaar in Istanbul reportedly in order to intimidate Dunder Kilic. Behcet Canturk will be tried on this charge, and the prosecution is asking for the death penalty. Also on trial with Canturk are Said Koc and eight other persons who face prison sentences of up to 20 years.

The indictment for the said trial which will be held at the Military Court of the Ankara Martial Law Command charges that Behcet Canturk and his accomplices have collaborated with members of the PKK [Partiya Karkerin Kurdistan--translation unknown] and ASALA who fled to Syria after 12 September 1980. According to the indictment, members of the PKK informed ASALA about Canturk's involvement in narcotics trafficking. Subsequently, ASALA reached an accord with Canturk in connection with narcotics smuggling, and Canturk began supplying ASALA with narcotics at below-market prices. The investigation of the case has revealed that between 1981 and 1983 Canturk sold to ASALA 120 kilograms of narcotics .

The indictment goes on to say that Canturk later became acquainted with Said Koc, an official of the Istanbul Jewelers' Association and a prominent figure in the market, and began smuggling gold, precious stones and foreign currency with the assistance of ASALA. In 1983, a faction headed by Dunder Kilic made a bid to take over the Grand Bazaar smuggling operation controlled by Canturk and Koc. Upon that, Canturk and Koc organized the aforementioned assault with the collaboration of PKK and ASALA guerrillas. Subsequent investigations revealed at the time that the assault was carried out by four Armenian terrorists who came from Syria expressly for this purpose.

In order to maintain secrecy over these activities, Canturk intimidated his accomplices and told them: "The police cannot arrest me. Even if they arrest me they cannot make me talk. Therefore, if the police arrest you kill yourselves rather than talk. Otherwise, I will kill you together with all of your families." The indictment claims that it was because of this threat that when Burhan Beskisiz was arrested for his knowledge of Canturk's activities he committed suicide.

The prosecution has demanded the death penalty for Canturk in connection with these charges. In the coming days, the following defendants will be tried before the 1st Military Court of the Ankara Martial Law Command:

Mehmet Said Vakifahmetoglu, Mehmet Celal Baykara, Yasar Demirel, Said Koc, Kemal Gucl (Garabed Hovhannes Arakel), Bedri Istanbulu, Zeki Suna, Aydin Demirel and Haig Atamian for whom the prosecution is asking for up to 20 years in prison.

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ARMENIAN AFFAIRS

HURRIYET COMMENTS ON 'NEW MAP DEMANDING TURKISH LANDS'

Istanbul MARMARA in Armenian 5 Jun 85 pp 1,4

[Text] In the last page of its today's edition HURRIYET carries a color map with Armenian inscriptions showing the lands "demanded from Turkey" which contain a major portion of Turkey's eastern provinces extending from Trabzon to parts of Mus.

HURRIYET says that a number of anti-Turkish organizations operating abroad want to mislead world public opinion and to create confusion over facts using such imaginary maps. The authors of these distortive news and allegations use certain individuals of Armenian origin as tools for their motives and instigate them to undertake anti-Turkish activities.

The newspaper GAMK, published in France, has issued an unprecedented map which demands not only Turkey's eastern provinces but also parts of Soviet Georgia and Soviet Azerbaydzhan.

GAMK dedicates its entire back page to this color map which contains Turkish provinces as well as areas from the said two countries. The caption under the map says that "the Armenians demand these lands as their historical rights."

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ARMENIAN AFFAIRS

BELGIAN MP BLAMED FOR 'CONTRADICTORY REMARKS' ON GENOCIDE ISSUE

Istanbul JAMANAK in Armenian 24 May 85 p 1

[Text] The MILLIYET correspondent reports from Brussels:

Turkish officials will invite proper audiences to listen to a tape recording--made by MILLIYET--of statements by Belgian parliamentarian Jacques (Vandemeulbruch), who prepared a report regarding the Armenian question for the European Parliament, to document his contradictory remarks.

When the Belgian parliamentarian heard the recording, he had the following conversation with me:

Question: Sir, in a statement to several Turkish journalists you accused MILLIYET of distorting facts. For example, you said that you "had spoken for only one minute." But as you just heard, your statement was 20 minutes long. How do you respond to that?

Answer: No, I did not say that I had spoken for only one minute. When I was asked whether the incidents between the Turks and the Armenians could be compared with the Jewish Holocaust, I said "no."

Question: During our conversation in February, you were sharply critical of French socialist parliamentarian (Sabin) for submitting to the European Parliament a resolution stating that "the Armenians have been subjected to a genocide." How can you reconcile the remarks you made then and your report which affirms that a genocide has taken place?

Answer: My report has not yet been officially published.

Question: But you talk about a genocide in your report.

Answer: Yes...

Question: But that is not what you said in our first conversation.

Answer: At that time I was not fully convinced that a genocide had taken place. I became convinced after I read all the documents.

Question: But you said at that time that you had all the documents in your possession, that you had read them and that you had come to the conclusion that a genocide has not taken place.

Answer: At that time I did not have all the documents in my possession. Now I think I have all of them.

Question: What you are saying appears to be quite unreasonable.

Answer: Forgive me, but I have to leave.

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CSO: 4605/173

ALGERIA

ROUIS ON INFORMATION, DEVELOPMENTS, NEW TECHNOLOGY

Algiers EL-DJEICH in French May 85 pp 12-15

[Interview with Information Minister Bachir Rouis by A. Adimi; date, place not specified]

[Text] Everyone knows that information has been and remains an effective weapon in the process of development of Algerian society in all the economic-scientific and sociocultural fields. In this context, Algeria's experience since independence clearly shows the positive role that information can have in promoting Algerian society, as well as the harm produced by a poorly organized information program that is carried out in sterile conditions. Information reflects the changes that have occurred in the society, and strengthens and refines the national development concepts. In this respect, information constitutes a resource of dynamism for development. It is also necessary that information express the real and living possibilities of the Algerian Revolution, and that it reflect faithfully the fundamental aspirations of the society in all their dimensions.

To throw light on the reality of Algerian information and its prospects, we contacted Bachir Rouis, alternate Political Bureau member and minister of information, who agreed to answer our questions.

[Question] We conclude that information in Algeria is not up to the level of our country's progress. This was demonstrated by some university research on this subject. However, the establishment of the high council of information, with the two committees derived from it, evidently does provide the bases for a new phase of information in our country. What are the main features of this phase, Mr Minister?

[Answer] It is true that information will enter a new phase in Algeria, particularly after the latest decisions. It is also true to say that information has shown some lag in comparison with the other sectors, and these university studies are not the only ones that have underlined this. The

citizens themselves also observe this, and consider that information is not up to the level of requirements. While information may reach heights, particularly at the time of commemorations or anniversaries, for example, it then falls back to its usual level. The problem is that we do not yet have continuous work and constant efforts to respond to the citizens' daily concerns, on the one hand, or to ensure that information keeps up with the development process, on the other.

The reports and criticisms received thus far have concerned problems of organization to the extent that we do not yet know what the public wants. In some areas, though readers need Arabic-language papers we are sending them papers in other languages. In other areas, where there is a considerable radio audience, the broadcasts cannot be heard. Still other areas are not yet reached by the television network. It must also be noted that the studies carried out in this field have not been used in a rational way.

The latest decisions were inspired by the recommendations of the FLN Fifth Congress and by the resolutions of the Central Committee. The file on information was discussed at length before being submitted to the Central Committee, and it is the best document in the information sector.

We are currently undertaking the phase of application of the Central Committee's resolutions and establishment of the high council of information in this context. It is rightly regarded as the basic guide for Algerian information, both at home and abroad, supported by the information technical committee and the interministerial audiovisual committee.

[Question] The Third World is on the threshold of a phase that some call the penetration of information by satellite. Has Algeria already taken, or does it plan to take, steps to meet this challenge?

[Answer] This question goes to the heart of the subject, and comes up every day. For we are on the threshold of this penetration, we have been for decades. Since the 1960's, the colonialist countries, aware of the importance of information, have used information to apply pressure on the Third World. At the same time, however, the Third World countries have not put this sector among their priorities.

In the case of Algeria, a Third World country, though progress has been made on the social, economic, and educational levels, information has not received the same impulse and has not been listed among the priorities. We now face an established situation, and the problem is how to face it. Information has been making amazing progress in the world; using complex technical means, artificial satellites in particular. All this information aims to instill a certain mode of production, thought and consumption. This output has penetrated the homes and exerts its influence. But this is not to say that we must simply allow ourselves to be influenced and allow the lag to increase and the gap to widen. Thus, our concerns are focused in several directions:

1. To acquire the equipment necessary to put the national information within range of everyone, and at the same time, at least to match the foreign information, and why not even be ahead of the latter. The citizen will then

be able to make a judgment, and he will certainly choose the local output. It is thus important not to be behind the foreign information, which has often happened, thus causing the national information to lose its credibility. We have thus undertaken to install the equipment necessary for information to cover the entire national territory.

2. To strengthen national feeling, personality and the national values, and all that can arm the citizen against any penetration so that he will be better able to distinguish among the various messages he receives, that which is useful to him from that which is not suitable to his personality, achievements, and values. This is a fundamental point, because Algeria is located in an area of extensive information exchange. In addition to its strategic geographical location, it is a liaison center.

3. Not to limit our information to the national level. We must be present on the international level, particularly in the international organizations, with the objective of establishing a new order of information and in the interest of a better sharing of information.

Algeria, a front-line country of the Third World, has always worked during international meetings, forums and conferences to clarify the perception of the situation and has urged the establishment of a new world order of information based on respect for peoples and in service of their interests and equality. We participate on the African level through the Pan-African Agency, as well as at the level of the Arab states to the extent that we relate our efforts to the Arab information, since we belong to that world by civilization and culture. There are other initiatives, such as the Arab satellite. Algeria has been assigned to establish a center for information exchange among the Arab countries, which we will expand in future to include the African countries.

[Question] Mr Minister, Algerian information and cultural circles fear the negative effects on our society of direct satellite broadcasting.

[Answer] It is true that there is reason for concern about these satellites, but we should nevertheless not overestimate their importance. There is the political training, and the FLN party and the national institutions conduct intensive consciousness-raising efforts in this respect. The national information must reach the leader and the party member along with the view of the political leadership, at least at the same time as the foreign information reaches them.

It is also necessary to strengthen the credibility of the national information. This is the role that falls on the Algerian journalist, who, in the first place, must strengthen this credibility through his use of information sources in order to give his message a content that responds to the citizens' concerns. All this will reduce the influence of the artificial satellites.

[Question] Television remains the medium with the most impact on the people themselves. We note, however, that these programs include few national productions. How long will we continue to have this situation?

[Answer] Television is supplemented by other means of information, however its strong impact does oblige us to assign it particular importance. Television performs a dual role that could be a source of danger if poorly used. As for Algerian television, it has not been assigned the necessary importance. Though its network covers almost all the territory, the national output is still inadequate for numerous reasons:

Television has long been a consumer medium and not a production tool. Hence, a lack of production tradition.

There was a lack of interest in production after independence, resulting in the fact that today a large proportion of television programs are of foreign origin.

We are currently devoting all available resources to strengthening our informational, cultural and even entertainment production. At the same time, we are encouraging dubbing and production in classical Arabic. Thus, we also are contributing to expanding use of Arabic language along with the other parties involved.

[Question] In Algeria, information has a mission of orientation, education, training and entertainment. Yet, the available entertainment resources at the national level are very limited. Mr Minister, is there an awareness of this cultural lack, where there could be support for information?

[Answer] Indeed, all the leaders are aware of it. Also, we have assigned importance to this aspect by devoting attention to troupes, actors, artists, etc. Unfortunately, the citizens, instead of being satisfied, have quickly tired of constantly seeing the same faces.

Certainly there is a deficiency, and we are aware of it. However, the problem is one of production. Despite the richness of our cultural and folklore heritage, we do not yet know how to exploit it artistically to present it to the public. However, if we persevere I believe the objective will be achieved, particularly if the contribution of the organs of information, education and teaching are strengthened.

[Question] In regard to national production, particularly television production, what are the prospects for coproduction, Mr Minister?

[Answer] We have decided on an overall solution to the production problem and have taken steps to promote this operation. We have established a new organization intended specifically for national producers as well as all who can produce in this sector. This new organization provides the resources necessary for national producers of the public or private sectors. The latter will be able to produce using their own resources or in cooperation with the public sector.

We have also decided on coproduction with other countries, and the law is clear on this. This type of production must conform to the annual program for television, whose needs will be established as part of the work and orientations of the interministerial audiovisual committee.

[Question] The national information organs, in particular the written press, face certain problems (lack of equipment and documents, distribution, printing). Are solutions being proposed?

[Answer] In studying the needs of the various organs, we have indeed noted a great lack in this sector. As a result, we are concentrating on finding adequate solutions. New structures have been established to give journalists access to information. The government has also approved a new program to solve the significant shortage of equipment.

Imagine that up to now we have not had a chart of the radio network. Some areas that are not covered by the national network are, however, able to pick up foreign stations. We must thus have total coverage over the entire national territory. We must also broadcast to abroad, particularly to our neighbors, to make known the Algerian experience and all that has been accomplished in our country. This year we constructed two more stations of more than 2,000 kilowatts each, at Bechar and Ouargla. They have high antennas of almost 350 meters. We are also working to increase the power of the Tipasa station, which will reach 2,250 kilowatts. Two additional stations will be constructed, one in the east with a power of 600 kilowatts, and the other planned for 1986 at Tamanrasset with the same power.

On the other hand, a joint program with the Ministry of Post and Telecommunications plans installation by the latter of 19 ground stations in the new communes. We ourselves will install television broadcasting equipment in each station. We will thus be able to reach 95 percent of the citizens.

Also, we are now also strengthening the Algerian Press Service (APS) telegraphic agency network, giving it in the near future correspondents in all important places and all areas.

Returning to the printed press, the figures reveal a major deficiency. The number of daily papers remains very low, along with their circulation, at a time when the country is developing and the number of educated is increasing, and this creates increased demand. We have thus considered strengthening the dailies and weeklies by adding other publications that will fill the gap. For example, this is international youth year, however we put out only a single sports journal, and that one in French. Thus, we will publish a weekly sports magazine in the national language.

We have also noted the absence of an economic journal. The circulation of information in this field is thus not effective, and the citizens and staff do not have economic information. Therefore, we have established, in cooperation with universities and economists, a working group that has presented a plan for an economic journal to appear in the near future in the two languages, national and French, and later in three languages. Our objectives are to orient it abroad to promote national production, make known the Algerian experience and give our operators the opportunity to relate their experience, and help those responsible for importing and particularly for exporting our products.

Two evening papers will also appear this year, one in the national language and the other in French, as well as a magazine in Arabic that will deal with social, information, and criticism topics.

As for circulation, since the country is large and distribution costs quite high, we have considered facsimile circulation, with establishment of distribution centers in the southwest, center-south and southeast of the country. This would make possible distribution of papers in these areas at lower cost.

Around these centers we will establish small press groups, in the form of small press organizations that will handle local information.

[Question] What about specialized journals?

[Answer] Obviously, there are the journals published by the mass organizations, however, they are facing the printing and distribution problems. We will study all these matters in the framework of the high council to decide whether or not these journals are sufficient.

On the other hand, the dailies now have 16 pages, and we are thinking of adding four supplementary pages per day to deal with all fields.

In order to meet the needs, we could also use the evening papers, and through them cover the social, cultural, artistic and economic issues.

[Question] Thus far we have talked about equipment and resources, but what about the journalist? Certainly, you have taken into consideration the need to take care of him and to protect and train him?

[Answer] The term information worker refers to all who work in this sector, and not only the journalists. Also, the general worker law covers this issue. However, it should be noted that the intellectual work is not an easy task, any more than that of classifying work positions in this sector.

We have also dealt with the social situation of workers in this sector and solved a considerable number of cases. There remain a few points that are under study. As for training, even though the administrative regulations are clear, this aspect has been somewhat neglected. For example, television does not have script writers, and the producers do not specialize in this field.

The training of journalists is carried out in an institution of the Ministry of Higher Education, without any participation of the Ministry of Information. We are currently considering contributing along with the Ministry of Education in the teaching programs of that institution.

There is a considerable demand for training. This is particularly true of the printed press and audiovisual sectors in view of the fact that we are on the threshold of a new phase in use of new techniques.

[Question] In conclusion, the second 5-year plan has certainly allocated significant resources for information to make up the lag in this area.

Mr Minister, do you believe this portion for information will be enough to achieve the expected level?

[Answer] We said at the outset that there is attention to this sector, reflected in the latest decisions, particularly the establishment of the high council for information. Adequate funds and resources will be assigned to it to enable implementation of the decisions and guidance that will come from the high council.

However, the decisions, with all their determination, funds and resources, will not be enough without the human support provided by the professionals of the information sector.

Moreover, I stress the necessity for rational use of the material and human resources that strengthen the daily task of the supervisors, journalists and technicians. For their part, the latter will strengthen the role of information as a means to protect the gains and as a factor contributing to development, a factor that has its place in the march of our revolution.

To sum up, I will say that information in Algeria has to be militant for a cause. Thus, the personnel of the sector must be in the vanguard of the active and vigilant workers, because information is always at the scene of combat and it is thus necessary that its personnel be activists on all fronts.

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CSO: 4519/144

ALGERIA

SECOND FIVE-YEAR PLAN PURSUES SAME GOALS AS FIRST

Algiers REVOLUTION AFRICAINE in French 23-29 May 85 pp 38-42

[Weekly AL-MUJAHID interviews Said Ait-Messaoudene, member of the Permanent Secretariat of the Central Committee; date and place not specified]

[Text] The Third National Conference on Development assessed the implementation of the first Five-Year Plan. As for the 14th session of the Central Committee of the FLN Party, it has prepared a comprehensive evaluation of the 1980-1984 achievements while undertaking an analysis of the country's economic and social situation.

With the exception of the difficulties inherent in the international crisis, it is apparent that overall goals have been reached: The development effort was maintained, expansion continued and the social needs of the populations met without undue tension while the GDP growth rate rose appreciably, 6 percent, not counting hydrocarbons. Agriculture remains weakest, its poor showing contributing little to this growth.

The reform, began as soon as the first Five-Year Plan was launched, ensured a better organization of the national economy and increased the effectiveness of the production and distribution networks. Said Ait-Massaoudene, a member of the Permanent Secretariat of the Central Committee spoke to our colleagues of the Central Committee of the FLN Party about these factors and the conditions under which the second Five-Year Plan was launched. We publish below a translation of this interview for our readers.

[Question] Before talking about the second Five-Year Plan, we would like you to give us a brief summary of the results achieved under the first Five-Year Plan.

[Answer] Let us recall that the first releases concerning these results were supplied by the third National Conference on Development.

Moreover, during its 14th session, the Central Committee prepared a comprehensive evaluation of the results of the implementation of the 1980-1984 Five-Year Plan and submitted an analysis of the country's economic and social situation.

It can be deduced from these evaluation and analysis that, overall, the goals set by our country were reached despite the difficult situation created by the international economic crisis and the demographic burden.

As a matter of fact, our country was able to maintain its development effort throughout this period, continue its expansion and meet the social needs of the population without undue tension.

The gross domestic product in current prices practically doubled. The GDP growth, not counting hydrocarbons, was roughly 6 percent a year in real terms.

Industry and the BTP are the sectors which contributed the most to GDP growth.

Let us note, however, that the contribution of agriculture to growth still remains weak. A partial explanation for the poor showing of this sector is the drought which has prevailed for several continuous years.

As for social results, let us recall that one of the basic goals of the 1980-1984 investment policy was to meet social needs.

Thus: 710,000 new jobs were created; over 400,000 housing units built; 27 hospitals and 130 polyclinics put into service; and gross household incomes (in current prices) rose by 14 percent annually.

As far as prices are concerned, the general increase of consumer prices was moderate as compared to that of many countries. On this subject, let us recall the continued support of staple commodities and the end to the shortage of vital commodities.

The educational sector performed remarkably well. Thus, in 1984-1985, an additional one million children attended the 9-year primary schools established during the first Five-Year Plan; the number of secondary school students doubled going from 61,000 in 1979-1980 to 118,000 in 1984-1985.

Vocational training, which was one of the priorities of the first Five-Year Plan, also showed appreciable results. Capacity more than doubled and the number of training appointments exceeded 150,000.

Moreover, the first Five-Year Plan gave an important place to economic organization in order to improve the effectiveness of the production and distribution networks. Important reforms were carried out in that sector and necessitated the harnessing of many resources and great efforts. It involved essentially the restructuralization of the socialist agricultural sector (land and support networks) and the organic and financial restructuralization of socialist production and service companies. These measures will have a very positive impact on the implementation of the goals of the second Five-Year Plan.

The importance of the new administrative districting, which is an important factor of national development and will allow a more balanced development of all the regions throughout the country and a more rational use of space, should also be emphasized.

Let us also point out the maintenance of the large internal balances despite the worsening of the international economic crisis and the ups and downs of the petroleum market.

Thus was begun the process for getting out of debts and, for the first time in 10 years, standard fiscal revenues exceeded, for the last 2 years of the Plan, those of petroleum taxes; consequently, it was possible for standard resources to cover the state operating budget.

Finally, let us not forget to mention the private sector law, promulgated and implemented during that period. Its aim is to organize and expand the national participation of private savings accounts in the country's development and this, in addition to state efforts.

This brief summary of the main features of the results of the first Plan does not mean that all the problems were solved.

Gaps and weaknesses remain; deficiencies and restraints persist. There are still many reservations about production and productivity.

Consequently, it is necessary to continue our efforts to improve economic and social effectiveness, better organize production, meet social needs and thus, based on a powerful socialist sector, consolidate the country's economic independence.

[Question] Agriculture and hydraulics hold a privileged place in the second Five-Year Plan in order to prepare for the post-petroleum era. Some people may think that this would be done at the expense of the other sectors of activity. What are your views on the subject?

[Answer] I believe that, in this day and age, it is not necessary to justify the priority given to agriculture and hydraulics.

There is a risk that the food shortage currently prevailing throughout the world, and more so in the Third World, will gradually lead to more serious and frequent crises and could threaten the independence of those countries and even the existence of entire populations.

Here at home, strong demographic growth and improved living conditions lead to a substantial increase in the demand for food, roughly 6 percent annually, whereas the growth of agricultural production remained smaller than 2 percent annually. It is obvious that it has become impossible to continue maintaining this growing and dangerous unbalance whose long-term repercussions escape no one.

This situation lead the political leadership to study this question seriously, take all the measures which an energetic recovery of this vital sector of the national economy require and prepare for the post-petroleum era.

The fifth party congress clearly showed that henceforward top priority had to be given to that sector, and first and foremost under the second Five-Year Plan.

The congress therefore translated these political directives into programs and action plans. A review of the content of the 1985-1989 Plan makes the greater share given to agriculture and hydraulics obvious, as compared to prior plans.

Thus, investment scheduled under the 1985-1989 Plan for agricultural and related sectors (hydraulics, forests and fishing) show a 57 percent increase as compared to the first Five-Year Plan.

After all, the fact remains that any recovery of the agricultural sector must take into account its capacities of absorption and not depend solely on the massive injection of credits.

Moreover, the priority given to this sector does not mean it can only be expressed through a massive increase of investments.

The recovery of our agriculture can only be done through the implementation of intersectorial solidarity which can really allow all sectors to assume responsibility for the needs and requirements prompted by agricultural development.

Priority to agriculture must also be understood as a permanent action centered on improving the agricultural environment and aimed at relieving it of all the restraints that has hindered its development until now. It must also be perceived as a measure to promote awareness and harness all the energies likely to concur with the emergence of a rural world in general and the meeting of our food needs in particular.

[Question] One of the aims of the principles of our development policy is to curtail our dependency on foreigners through both organization and the reduction of imports and the diversification of exports, not counting hydrocarbons. How does the second Five-Year Plan envision the implementation of this principle?

[Answer] Based on the evaluation of the first period, the first Five-Year Plan was aimed at better controlling our trade and comparatively limiting its growth in order better to safeguard national interests.

Owing to modifications made during the first Five-Year Plan, substantial results were achieved with regard to both imports and exports.

Imports were recorded as having stabilized around 48 billion DA [dinars] following a substantial rise in 1980, i.e., 41.5 billion DA as compared to 32.4 billion DA in 1979.

These import-curbing measures made it possible to continue the downward movement of our imports, as compared to the GDP, begun in 1979

This ratio was lowered by practically one half in the space of 5 years, which is a satisfactory result.

Exports were recorded as having stabilized around 60 billion DA for the whole duration of the first Five-Year Plan.

Thus, our 1984 exports amounted to 65.6 billion DA of which 63.6 billion DA were from hydrocarbons and 2 billion DA from other goods.

Achieved in the midst of the crisis that we are experiencing, this stabilization of our revenues is due among other things to the valorization of gas, the development of refined products and, finally, to the serious effort made to promote the valorization of our exports other than hydrocarbons.

A surplus trade balance during the duration of the Plan was one of the results achieved by all these combined measures.

Consequently, the second Five-Year Plan has the same objectives as the first.

Thus, the emphasis is on controlling foreign indebtednesses, a strategic measure in order to, on the one hand, consolidate our national independence and, on the other, ensure a better integration of our economy by using a greater share of the national production to satisfy operating and consumer needs within the economy.

Many measures dealing with those factors are scheduled in order to ensure:

The pursuit of the process to lower the degree of openness of our economy;

the expansion of the measures to promote our exports, other than hydrocarbons; and

the reinforcement of the process already initiated for getting out of debt.

Some of these measures need to be mentioned, those in particular aimed at:

better controlling the planning of foreign exchanges, one of the goals sought being a curtailment of imports;

reinforcing the state's monopoly on foreign trade;

protecting national production;

defining export policy measures;

pursuing the geo-political diversification of our trade; and

increasing the control of the activities linked to foreign trade, especially in the sectors dealing with transit, acceptance, quality control of imported and exported goods and, finally, with the care and management of warehouses.

[Question] What are the measures for national development scheduled in the second Five-Year Plan?

[Answer] In its resolution pertaining to national development, the FLN extraordinary congress defined the major goals to be reached concerning:

the rational use of space, taking into account the strategic imperatives of the country;

the harmonious distribution of population and activities;

the valorization and rational exploitation of our natural resources; and

the safeguard of natural sites and environmental protection.

In this context, the importance of the impetus given by the first Five-Year Plan to the implementation of this national policy of national development should be emphasized.

Among the measures elaborated, it is necessary to recall those pertaining to the restructuralization of the national space, the reinforcement of basic infrastructures and the speeding up of local development due to, in particular, the scope of community development programs implemented and the decentralization of prerogatives and the number of studies and achievements effected for the benefit of local communities.

In addition to the reinforcement of measures already launched under the first Five-Year Plan, other measures are scheduled under the second Five-Year Plan tending to ensure a better balanced distribution of economic, social and cultural activities and, consequently, allow a more equitable propagation of progress and social welfare between the North and the South, town and country and, in general, nationwide.

As a matter of fact, the national development policy rests on a comprehensive and integrated vision of development on three levels, namely, national, regional and local.

The country's main development projects, such as areas to be developed, basic infrastructures, hydraulic works, transportation and warehouse networks, new towns, reinforcement of the country's industrial and agricultural base, as well as the redeployment of human resources nationwide, were conceived taking this planned approach into consideration.

In such a context, the important role to be played by the governorate in coordinating and stimulating the planning and implementation process of these projects should be emphasized.

The same is true of the community development plan whose content and follow-up and implementation procedure have been upgraded substantially.

It means that regional and local planning will progress greatly under this Plan.

Such a process will not fail to have beneficial repercussions on the balanced development of our regions and those of the interior in particular.

It should also be noted that, in the implementation of this policy, measures to safeguard farm land and develop local resources and potentials will be reinforced and, during this whole period, they will be one of the leading sources of control of the scale of our country's economic development.

[Question] The president of the republic, who is also the Party's secretary general, declared in his report submitted to the fifth congress: "National economy cannot develop on the fringe of world economy..." What are the measures considered by the second Five-Year Plan to counteract the effects of the world economic crisis?

[Answer] The president of the republic, who is also the Party's secretary general, also emphasized in his report that the lasting reinforcement of the country's independence is a primary concern of any development measure which, in order to be correctly applied, requires an effective control of the general balance of indebtedness.

Consequently, under the current stage of development, these results should be studied thoroughly and reinforced on the basis of the scope and diversity of the economic and social needs to be satisfied and the need to safeguard the country from the effects of the current world crisis.

What should be stressed from the start is that it looks as though there will be a strain on the general balance of indebtedness during the second Five-Year Plan, taking into account the economic and social goals assigned to development.

Among the leading measures taken to ensure the correct handling of this indebtedness, it is necessary to recall those pertaining to:

A step-up harnessing of the production potential.

This measure is the basic condition for respecting the plan's general balance of indebtedness and for persevering in lowering the degree of economic openness.

It is therefore imperative to ensure the intensive harnessing of all existing production potentials which continue to be under utilized despite the advances achieved during the first Five-Year Plan.

That is a very important step which must be supplemented by a harnessing of all the human potential available to our country, such as:

Control of the foreign indebtedness through a series of aforementioned measures;

greater discipline and severity in the conduct of operations and a coordinated implementation of the various measures for controlling activities, such as the price and fiscal systems, the distribution of revenues, the credit policy, etc;

the organization and dynamization of exchanges among the various economic agents in order to reinforce inter- and intra-sectorial integration and to guarantee the regulation of the domestic market.

With regard to investment, a sustained annual rate of roughly 7.3 percent is anticipated for an accumulation rate of roughly 40 percent during the whole period.

Let us note that stockpiling must be pursued and is essential to the maintenance of development dynamics and to the meeting of goals relating to the country's middle- and long-term needs.

Finally, among the measures scheduled in the plan on this subject, it is necessary to mention those relating to the pursuit of the effort of economic organization in its broadest sense, such as the control and decentralization of planning, the rational management of the investment process and the restructurization of enterprises.

[Question] What is the role of the Party in the implementation of the second Five-Year Plan?

[Answer] I must first recall that the active members of the Party participated fully and democratically in the definition of the great principles of the second Five-Year Plan.

Their role in the implementation of the goals of this plan will be a determining factor on more than one level.

Through its rank and file, the Party will first have to explain the content of the plan with a view to making the workers, peasants and young people aware of the country's political, economic, social and cultural goals.

It will be a driving force in the implementation of these projects.

It will see to it that the means of production are used properly and the rules of labor discipline strictly respected and it will combat differences and social ills.

In other words, the Party will apply itself to mobilizing all the spirited forces of the country with a view to implementing the Five-Year Plan under the best conditions.

We must make a success of this Plan in order to contribute to the consolidation of national independence in anticipation of the post-petroleum era.

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CSO: 4519/147

10 July 1985

ALGERIA

SURVEY OF OBJECTIVES, RESULTS OF 5-YEAR PLANNING

Algiers REVOLUTION AFRICAINE in French 23-29 May 85 pp 43-48

[Text] The following is the complete text of the lecture delivered by Prof Abdelmadjid Bouzidi, general director of the National Center of Studies and Analyses for Planning (CENEAP), before the delegation from the Center of Advanced Studies on Modern Africa and Asia (CHEAM), headed by Prof Philippe Decraene, who recently paid an official visit to our country in response to an invitation from the National Liberation Front Party.

Overall, coherent Algerian economic policy goes back to the years 1966-1967, the date when Algerian planners drafted long-term projections that were to answer three major questions:

- 1 -- Which economic and social development objectives can be attained in a generation?
- 2 -- What conditions must exist to ensure the program's success?
- 3 -- Which objectives can only be envisaged for a future generation?
- 1 -- Which objectives can be achieved in a generation?

For Algerian planners, all efforts had to fit into the framework of seeking the central objective, which was to maximize the growth rate.

This meant net priority to the allocation of resources to investment and at the expense of consumption.

Economic policy had to grant top ranking to investments that were directly productive and more precisely, industrial investments, because it was in industrialization that the driving force of self-centered economic and social development resided.

Consequently, between 35 and 40 percent of all national resources had to be devoted to investments.

As a result, there was a choice of a vast investment effort, which had to imply great strictness in selection, the elimination of nonpriority investments and above all, the highest possible degree of efficiency in action undertaken.

Any excess, any waste would constitute more pressure and funds taken away from consumption already maintained at a low level.

All of this is now a widely known fact or, or any rate, easily seen through an examination of Algerian economic circumstances. What seems to have been forgotten, on the other hand, by the different analysts of the Algerian development experience is that the long-term projection adopted in 1966 chose other objectives to which it granted the status of people's demands to be met by the first decade of development.

These other objectives were not necessarily compatible with the search for a maximum rate of economic growth. For Algerian planners, these were priority needs whose degree of satisfaction could not be a mere result of available resources.

Responsibility for these priority needs had to be based on special criteria and no longer those of the speed of overall economic growth.

What were these other objectives to be achieved in a generation?

1 -- Employment

This was a fundamental demand and "the first social need to be met." In an economic system dominated by market ratios, the particularly strong demand to improve the standard of living presumed a distribution of income to all those who had none.

The strategy therefore had to seek the massive creation of permanent jobs in order to eliminate unemployment in a lasting fashion and at least guarantee every Algerian family of an income.

The second priority need to be met was that of:

2 -- Education

In Algeria, colonization spread illiteracy. One of the most urgent needs of the Algerian people which the planner could not ignore was the desire to satisfy the need for education.

The first 4-year plan for 1970-1973 reaffirms this principle in these terms: "The Algerian Revolution must also guarantee the right of education...to all Algerians."

This objective, although contributing to economic growth in the long run, was contradictory in short-range terms with the central objective of maximizing the growth rate.

3 -- Regional Balance

The third objective to be attained from the very first phase of the strategy, one corresponding to a third priority need, concerned the attenuation and complete elimination of social inequalities, beginning with regional disparities.

The Algerian economy in 1962 was characterized by very great regional disparities that accentuated social distortions. Algerian planners recognized the need for a rigorous policy of redistributing revenue and went about expressing it in the first stage by special programs to which they assigned the double function of ensuring a "regional balance" and "social justice."

In this way, they wanted to improve the income of the most deprived people.

At the time of drafting the projected 1966 objective, the Algerian planners chose the following major guidelines: 1) maximizing the rate of economic growth; 2) devoting the major portion of national resources to investment; 3) encouraging directly productive and specifically industrial investment (heavy and export industries); 4) giving priority to the satisfaction of certain needs by systematic government action: employment, education, regional balance and social justice.

2 -- Which conditions had to be met to bring about the achievement of this objective?

It may very rapidly be recalled that the point of departure of Algeria compared with other countries was advantageous in two ways:

1 -- There were mining resources that had to be exploited, meaning no tight financial limitations; and 2 -- there was a relatively dense network of infrastructures.

On the other hand, it was necessary to: constantly expand the domestic market; create the maximum number of jobs through a rigorous choice of investments; and control social demand.

For the achievement of each of these conditions, real difficulties existed:

1 -- The nature of Algerian exports did not favor the development of the domestic market.

2 -- Heavy industry and the export industry created few jobs in the first major phase of building the economy.

3 -- Social demand in Algeria, inherited from the colonial period, was based on a very unequal distribution of revenue and was therefore highly diversified, with heavy influence of the model consumption of wealthier countries.

Finally, one of the most important conditions to be ensured, but which Algerian planners neglected, as we have just shown, dealt with demographic limitations.

The high rate of natural growth (3.2 percent) characterizing Algeria should have drawn more attention.

Such a rate is bound to exercise very strong pressures, not only on the rate of investment, but also on social needs, including the priority needs that had to be satisfied. Furthermore, since it is only in very long-range terms that the tangible results of a demographic policy based on birth control are seen, it should have been launched very early (first 5-year plan).

Results Achieved 1967-1979

Without going into details on the record for the decade, one can point out that Algeria's economic and social development was very seriously planned for during the period and actually begun in some areas.

Opportunities to invest increased, the domestic market expanded considerably, the chronic unemployment characterizing Algeria was contained and even somewhat absorbed, school attendance rose, now involving 85 percent of all school-age children, and finally, the Algerianization of upper-level jobs is now a reality.

If we were to illustrate the period through a few significant figures, we would note that gross national production went from 14.6 billion dinars in 1967 to 93 billion in 1978 (a growth rate of 18.3 percent a year for the period). Final consumption, which in 1967 represented 73 percent of gross national spending (in current prices) dropped to 50 percent in 1978.

Gross accumulation rose from 3.9 billion dinars in 1967 to 54.8 billion in 1978, a rate of growth for the period of 27.2 percent.

One can easily see here that national resources are increasingly devoted to investment.

Outside of hydrocarbons, the GNP rose by 8.6 a year in constant prices during the period.

This increase is mainly due to the processing industries, which grew at a rate of 9.7 percent (in real prices), then agriculture, whose growth rate was only 2.6 percent.

All these elements, which we deem as positive given the situation at the start, should not cause one to lose sight of the distortions that built up during the period and that have been the subject of detailed analyses, especially at the FLN Congress (the Fourth and the special congress).

One might point out that:

1 -- In the field of investment, uncoordinated development of the economy occurred, with some sectors developing much more than others (industry, administration, for example).

In 1978, the sectorial structure of investments was as follows: 61.8 percent of all investments in industry; 7.9 percent in agriculture; and 18 percent in social areas.

Likewise, one might point toward a widespread existence of surcosts (the costs of programs represented 2.75 times the amount of initial investments and there were excessively long delays in completion).

2 -- In the field of production, use rates of installed capacities were very low (on the order of 40 percent throughout the period), while national demand was almost explosive.

3 -- In the area of building a national economic base, there was a low degree of integration of the economy, with very great demand made on outside resources, imports amounting to nearly 45 percent of the GNP on the average during the period.

4 -- In the field of meeting essential social needs, great delays occurred, especially in the areas of housing, transportation and health.

5 -- In the area of the operation of the national economic system, there was increasingly inadequate, cumbersome and bureaucratic organization.

6 -- Finally, regarding the trade balance, the situation was characterized by an increase in the country's foreign debt, a large trade balance deficit, an absence of diversification of our trading partners and the reinforcement of the single-export nature of our economy (based on hydrocarbons).

At the end of 1979, the Central Committee of the FLN Party at its second meeting defined the "Long-Term Orientations of Economic and Social Development." These are the orientations that would guide the drafting of the 1980-1984 5-Year Plan."

The document dwells on two major aspects: 1) greater efficiency in the management of the economy; and 2) real attention to the social needs of the people in order to catch up and improve their living conditions.

Regarding the first point, it is a question of improving the operation of the national economic system in order to make gains in productivity and thus move from the extensive mode of economic growth that had previously prevailed (meaning a type of growth based on a renewed appeal to additional factors of production) to an intensive mode of economic growth based on better productivity of the existing potential.

An economic reform was then drafted and launched, articulated around an organic and financial reorganization of the public economic sector, a revision of the national pricing system, coordination of the wage policy and a reworking of the fiscal system.

Regarding investments, the excessively high rate of accumulation that characterized the previous period remained theoretical because it never materialized.

It became a matter of returning to a more realistic investment policy, one more mature and characterized by a better control of costs and completion times.

Finally, in the area of production, the introduction of production plans would help locate bottlenecks and provide the conditions for an improved use of the national productive system.

Regarding the social needs of the population, the new approach was justified by Algerian planners by the fact that the austerity policy that had previously prevailed and that was "relatively easy to apply in fact, inasmuch as meeting the demand for work following independence already constituted an important improvement in the standard of living," could no longer continue because factors favorable to a reduction in consumption dwindled even further (many jobs planned, with a net improvement in wages), but also because the highly capitalistic projects would no longer occupy such an important place as they had in the past.

It was therefore a matter of taking a new look at the balance between accumulation and consumption that had previously prevailed.

3 -- The third guideline adopted by political officials and that guided the work of the 1980-1984 5-Year Plan had to do with the list of priority needs to be met. This list was a long one because the new projection recognized "that meeting needs for housing and collective facilities unquestionably constitutes, along with employment and education, one of the essential foundations on which the development policy of the coming decade must be articulated." Consequently, along with the three demands which the 1966 strategy was planned to meet by 1980, other urgent needs appeared in the social sphere. The list of priority needs became: employment, education, the regional balance, housing and health, with, as we tried to point out, improvements in the individual and collective levels of consumption.

One can thus recognize that austerity could no longer be "easily applied in fact" and that the approach using the hierarchization of needs had gone as far as it could.

Finally, one last observation on the new economic policy implemented for the first time in Algeria: One must look at demographic factors in order to recognize its damaging effects and no longer count solely on development to face them.

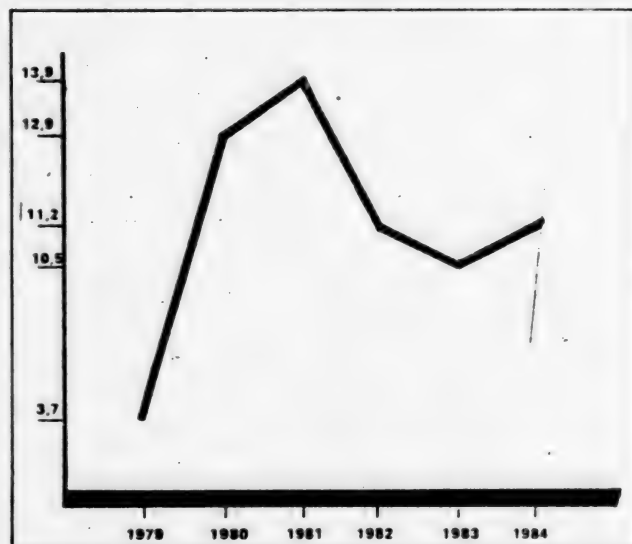
One therefore retains the principle of a population policy that would contain all the conditions of family planning from the very first 5-year plan.

How did the orientations shape up?

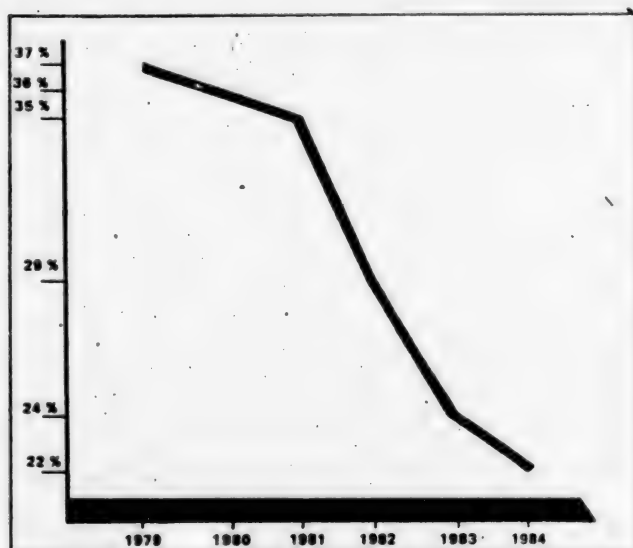
Major Results of First 5-Year Plan for 1980-1984

Regarding the reorganization of the public economic sector, 455 public enterprises were created (on the foundation of 90 old companies), whose purpose and objectives were more precisely outlined.

The foreign trade balance evolved as follows (in billions of current dinars):



The share of imports in the GNP evolved as follows:



Likewise, public enterprises were reorganized financially and given their own funds and operating funds. They would henceforth be subject to the principles of economic calculations.

Finally, on the organizational level, new planning instruments were introduced, such as production planning, annual plans for enterprises, plans for governorates and the strengthening of investment planning.

These organizational measures had a positive effect on production and particularly industrial production, for excluding hydrocarbons, it showed annual growth rates of 13 percent (since employment had increased during the period by 5.5 percent and the number of new production units was reduced, this growth in industrial production is partially due to an improvement in the apparent productivity of work, which rose at a rate of 4.9 percent a year).

Likewise, the rate of carry'ng out planned investments improved, rising to 70 percent of those planned (50 percent in previous plans).

The share of national revenue allocated to accumulation was reconsidered. Given still low rates of actual investment, there was an attempt to adapt investment to the economy's absorption capacity and fight any form of waste.

On the other hand, consumption was revised upwards and increased faster than accumulation.

While the latter increased at a rate of 4.4 percent a year in real terms, household consumption rose at an annual rate of 6.1 percent in real terms.

Regarding the sectorial allocation of investments, imbalances were corrected and the First 5-Year Plan for 1980-1984 was characterized by the following structure: industry, 35 instead of 61 percent; hydraulics projects, 6.4 instead of 3 percent; social infrastructure, 2.7 instead of 17.5 percent (housing had previously enjoyed 15.7 percent); and economic infrastructures, 11.5 instead of 5.4 percent.

As we pointed out, the first 5-year plan for 1980-1984 was aimed at making up for delays in the area of meeting basic social needs. The new decade was labeled as the "social decade."

The achievements of the 1980-1984 5-Year Plan were as follows:

Health

In terms of the completion of health infrastructures, 17 new hospitals, 121 out-patient clinics and 257 health centers were completed, while the number of inhabitants per doctor rose from 2,853 in 1979 to 1,690 in 1984.

Housing

Regarding housing, the figure went from 30,000 units completed a year during the period from 1978 to 1980 to an annual rate of 90,000 during the 1980-1984 period. Some 410,000 units were delivered during the period.

Employment

Some 720,000 new jobs were created during the period (86 percent due to the public sector). The average annual rate of growth of employment was 4.3 percent, compared with a growth rate of the working age population of 3.9 percent. The process of absorbing unemployment continued.

In addition, new jobs involved women (245,000 in 1980 compared with 373,000 in 1981) and skilled workers (34.5 percent in 1980 compared with 42 percent in 1984).

Education

In terms of total numbers, there were 500,000 more pupils in elementary school, 400,000 in high school and 145,000 students in higher education (including 30,000 girls). Another 50,000 young people were apprenticed in public and private enterprises. Finally, there were 70,000 new teachers.

In terms of infrastructure, 10,000 new classrooms were completed for elementary schools, along with 400 intermediate schools, 78 lycees or high schools, 33 technical schools and 250 training centers.

To conclude this rapid presentation of the social accomplishments of the first 5-year plan, we should point out that per capita consumption rose from 3,022 dinars in 1979 to 5,250 in 1984.

This rise in accomplishments in the social realm must not be viewed as a halt in the industrialization process. In fact, there were 22 new production units in the heavy industry sector (actually the ISMME [expansion unknown]), 100 new production units in light industry (the so-called processing industries), 37 in energy, 10 in petrochemistry and 5 in chemistry. Likewise, in the area of small and medium-size businesses, 400 units were launched and 200 completed.

Agricultural activity, on the other hand, did not meet expectations. Only the reorganization measures of the public as well as the private sector were completed, while yield remained below predictions. The necessary food products are still largely imported. While the total volume of imports dropped in general (the share of imports in the GNP went from 47.5 percent on an average during the second 5-year plan for 1974 to 1977 to 27 percent in 1979 and 22 percent in 1984), the share of food products in the GNP rose, going from 15.7 percent in 1979 to 19 percent in 1984.

It was precisely the agricultural sector that would constitute one of the priorities of the second 5-year plan for 1985 to 1989 and whose guidelines were drawn up by the Fifth Congress of the FLN.

The guidelines take the world economic situation into account, a situation marked by a lasting structural crisis and that is expressed in Algeria by tight financial control. It is therefore a question of: 1) ensuring greater discipline in investments; 2) stimulating exports other than of hydrocarbons, 3) gaining more control of import programs and conditions, limiting them to indispensable products; and 4) mobilizing foreign loans.

The major guidelines for the second 5-year plan for 1985 to 1989 are as follows:

1 -- The rate of accumulation will remain sustained (investment) throughout the period at about 40 percent.

Consumption, unlike under the first 5-year plan, will evolve at a less dynamic rate than will investments (5.8 percent compared with 7.3 percent a year respectively).

Imports should not increase at a rate of over 6 percent annually.

The GNP should rise 6.6 percent a year, with the share of hydrocarbons gradually diminishing: 1975, 50 percent of the GNP; 1980, 36 percent; 1984, 27 percent; and 1989, 25 percent.

There must consequently be a tangible increase in the overall volume of national production, which should first of all be based on gains in productivity.

The trade balance (\$7.2 billion in 1989) and the balance in the current accounts (\$.86 billion in 1989) should make it possible to pursue the process of incurring debts.

The sectorial allocation of investments is as follows:

The 5-year investment program for 1985 to 1989 is distributed as follows: 56.6 percent for the productive sectors (compared with 63.9 percent during the first 5-year plan for 1980-1984) and 43.4 percent for social sectors, collective facilities and economic infrastructures (compared with 36.1 percent during the first 5-year plan).

Agricultural and water projects will absorb 15 percent of total allocations for the 1985-1989 period (compared with 12 percent during the first 5-year plan for 1980-1984).

Industry will receive 31.7 percent (compared with 38 percent during the first 5-year plan for 1980-1984). Aside from hydrocarbons, the share of total investments devoted to industry is 24.4 percent (compared with 23 percent during the first 5-year plan).

National Investment Program 1985-1989 (in constant 1984 prices and billions of Algerian dinars)

<u>Activity</u>	<u>Total</u>	<u>Relative Share Percent</u>
Agriculture, water projects	79.00	14.4
Industry	174.20	31.6
Means of execution	19.00	3.5
Means of transportation	15.00	2.7
Storage, distribution	15.85	2.9
Post office, telecommunications	8.00	1.4
Economic infrastructures	45.50	8.3
Social infrastructures, including	149.45	27.2
housing	86.45	15.7
Collective facilities	44.00	8.0
Total	550.00	100.00

Regarding exports, mainly made up of hydrocarbons, the share of crude oil dropped in favor of gas, condensate and refined products.



Housing, the second priority of the plan, will continue to absorb an important share of total investments for the period, with its share reaching 15.7 percent of total expenditures (nearly 540,000 units expected by the end of the period).

The rate of growth of production expected (by sector) is as follows: energy and water projects, 10 percent a year; processing industry, 9 percent a year; building and public works, 9 percent a year; services, 7.2 percent a year; agriculture, 4.5 percent (compared with 1.2 percent during the first 5-year plan).

The foreign debt (put at \$15 billion) should reach a ceiling at around 33 percent of the GNP during the second 5-year plan.

One can say in conclusion at the close of this brief look at the main trends of the Algerian economy that the period now beginning with the second 5-year plan is characterized by its continuation of the economic and social development effort made, but in a tense world economic environment marked by a crisis whose outcome is less and less certain.

For Algeria, it is a question of regrouping and mobilizing its forces and assets, first of all relying on its own means.

It must intensify economic growth, develop national production, control investments, catch up in the area of meeting the most urgent social needs, and continue the process of paying off its foreign debt.

These factors define the Algerian concept of economic independence, viewed in the sense of implementing a process of constantly reducing the national economy's sensitivity to relations with other countries.

11,464

CSO: 4519/148

LIBYA

ISLAMIC CULTURAL CENTERS ESTABLISHED

Valetta THE JAMAHIRIYAH MAIL in English 25 May 85 p 11

[Text] •THE Islamic Joint Committee between the Socialist People's Libyan Arab Jamahiriya and the State of United Arab Emirates for establishing Islamic cultural centres met in Abu Dhabi.

The meeting discussed the opening of the Islamic cultural centre in the Republic of Burundi and the extension of the Islamic Cultural Centre in Rwanda.

The committee decided to invite leading Ulemas, Islamic Thought Thinkers and Islamic Institutions to

attend the opening ceremony of the Burundi Centre and the extension in Rwanda that will take place so that the guests will see for themselves the services provided by these centres to the peoples of Burundi and Rwanda.

The committee is currently carrying out two Islamic centres projects in Bamako, capital of Mali and Lome capital of Togo which will be opened at the end of this year.

The corporation is also contributing to establish-

ment of five Islamic Centres in Sudan and other centres in the world. All this is part of the plan adopted in 1975 to speed Islamic education among Islamic people and non-Islamic people, presenting the objectives of the Islamic message and providing health, cultural and social services.

Each centre has a Mosque (for 1200 prayers), school (16 classes), public library, conference halls, medical centre, sport parks, houses and vocational centres.

CSO: 4500/35

SUDAN

AL-MUSTAQBAL INTERVIEWS SUDANESE PARTY LEADER

JN100955 Paris AL-MUSTAQBAL in Arabic 8 Jun 85 pp 30, 31

[Article by As'ad Haydar]

[Text] Khartoum--The Sudanese Democratic Unionist Party [DUP] is deeply rooted in Sudanese history. Its base is the "Khatimiyah" or the "Mirghaniyah" sect that is known for its close ties with Egypt. However, it includes a sizable number of intellectuals, merchants, and businessmen, and its popular base has been further reinforced by its strong, relentless opposition to the Numayri regime throughout its existence in power.

The DUP is distinguished by its moderate liberalism and its receptivity to dialogue and intellectual argument. The party has suffered several shocks at home and abroad following the death of its leader Al-Sharif Husayn al-Hindi. However, it now seems to be recovering under the leadership of Al-Sharif Zayn al-'Abidin al-Hindi, brother of the late Al-Sharif Husayn al-Hindi. AL-MUSTAQBAL met with Al-Sharif Zayn al-'Abidin al-Hindi in Khartoum, and interviewed him on the general Sudanese situation following the downfall of the Numayri regime.

AL-MUSTAQBAL: What tasks do you expect on the party level in particular and in Sudan in general?

Al-Hindi: Actually, I returned to Sudan 7 months ago, and during that time we expected the regime to fall at any time. We returned to Sudan with objective studies that were raised under the leadership of the martyr Al-Sharif Husayn al-Hindi. We have our own concept of government, and a full concept of the alternatives. We also have our own concept of future relations on the international, Arab, and African levels. Therefore, we are ready to take our natural place among the vanguard who will rule this country.

AL-MUSTAQBAL: You are planning to hold a general party congress. Have you prepared a political program for this congress?

Al-Hindi: We will hold our party congress on the 4th day of 'Id al-Adha [approximately 29 August 1985]. The congress, which will last for 2 weeks, will discuss all subjects. The great damage our homeland has suffered requires two programs: A program for national, humanitarian, and popular

restorative work; and a program for reconstruction. We are a country that lacks reconstruction, although we have all the necessary requirements.

AL-MUSTAQBAL: The party also needs restorative work, especially since strong disputes occurred in the party after the departure of Al-Sharif Husayn Al-Hindi. What are you doing now to put your party in order?

Al-Hindi: There is no doubt that Al-Sharif Husayn's death caused a split in party ranks, but it was only a temporary one. You see, the split was not over principles, practical procedures, or objectives; it was caused by movements within the ranks of the same generation. The party formations are completely reorganized now, and there are no differences. We are now a cohesive unit representing all national and party aspirations.

AL-MUSTAQBAL: Could you give us an idea of these party formations?

Al-Hindi: In the past, we elected the party leader and secretary, who represented the leader in his absence. Now, however, in view of the many youth groups that have joined the party's various departments, we have elected a party secretary general. The leader of the party will be elected at the forthcoming congress, which will be the highest authority. We have also elected 11 secretariats, including a women's secretariat. These secretariats have been injected with young, educated and scientifically minded people, so they can tackle all the country's problems, both in the study and the implementation stages.

AL-MUSTAQBAL: What is your proposal for solving Sudan's problems, such as the economic problem?

Al-Hindi: Regarding the economic problem, while we were among the opposition ranks, we agreed with some Arab countries to create an economic revolution in our country in order to supply the Sudanese market with plenty of goods, to face the blackmarket, and to help cope with the number of refugees who were coming to Sudan from everywhere. We believe that if these practical steps are adopted, they will lead to the temporary disappearance of this economic crisis.

Regarding the future, we have projects such as the Rahad projects, which cover 1,200 kms of agricultural land east of the Nile and 1,400 kms of agricultural land west of the Nile. These projects will change the nature and face of life in our country.

AL-MUSTAQBAL: How do you believe the problem of the debts will be solved?

Al-Hindi: In the past, we opposed the defunct regime in making debts. We warned the owners of these debts of the fact that these debts were made without the Sudanese people. Therefore, and since we are Sudanese who are faithful to their trusts, we will reschedule our debts in accordance with our capabilities. In other words, we will reschedule our debts in a fair way. There is no doubt that we enjoy the respect of the international economic

community and constitute a big phenomenon in Africa. We are sure that these countries will agree for us to reschedule our debts so that we can pay them.

AL-MUSTAQBAL: How will Sudan's relationship be with the World Bank?

Al-Hindi: I believe that Sudan in the defunct era places itself under the yoke of the World Bank. Sudan was not able to get rid of it until it was destroyed. We consider the World Bank to be one of the bases of the world economy. We will objectively discuss the issue with the World Bank for the first time, particularly since we have our own pound and our currency has increased in value, compared to the value of dollar, since the overthrow of the defunct regime. We can honestly export and import so, that our relations will be equal. We will not be at the mercy of the World Bank, but we will be equal with it as an international economic institution.

AL-MUSTAQBAL: How do you view the solution to the problem of the south?

Al-Hindi: The problem of the South was about to end in the democratic era, but Ja'far Numayri fabricated reasons and obstacles which reignited the problem. We have DUP members in the South. We are in agreement with some parties in the Southern Sudan Front and the old Sudanese African National Union. All these parties represent the real political weight in southern Sudan. Therefore, we began to study with them the natural and regional borders they hope to reach.

AL-MUSTAQBAL: These are general remarks. What is your stand specifically toward the southerners' demands?

Al-Hindi: We support the Addis Ababa agreement, which was sought by the southerners, which they signed, and with which they were satisfied. We support this agreement and regional rule in the South. We support decentralization. All these things satisfy the southerners, unless they have internal differences among themselves.

AL-MUSTAQBAL: John Garang has proposed a political plan covering all of Sudan, not just the South. He demands democracy and socialism for Sudan. What is your position on his demands?

Al-Hindi: John Garang was one of the forces that fought the defunct regime. He was one of the forces that used all their political and military power to fight against the defunct regime. He can only be one of these forces. Therefore, when all the political forces in the South meet to discuss the South's real position vis-a-vis the north within the context of one unified, integrated country, then John Garang will have no choice but to join these forces.

AL-MUSTAQBAL: Do you intend to open a direct dialogue with John Garang on this basis?

Al-Hindi: We have already begun this dialogue by sending a messenger to him several weeks ago. We have not yet received a reply, but we are sure that he will respond to the appeal for national unity.

AL-MUSTAQBAL: Regarding what happened in Sudan recently--that is, the 26 March uprising and then the 6 April uprising--do you believe that the army crushed the popular uprising or responded to it?

Al-Hindi: The army responded patriotically and sided with the Sudanese people in a cause for which it has fought for 16 years. These are first-class patriotic officers. We cooperated with them during the opposition days. They joined us in closely following the reports on the man in the street, and they also monitored the political balance inside and outside the country. They waited for the right blessed moment to take action. We know that they are a part of us as people. Therefore, our talks with them were conducted in a calm manner. We differ neither on the objectives nor the course.

AL-MUSTAQBAL: Do you have guarantees that the Transitional Military Council will transfer power to civilians after 1 year?

Al-Hindi: There is no doubt that this is a popular uprising, and that it has not yet calmed down. But since the army has sided with the people, the latter has entrusted the former to act on its behalf by creating the right atmosphere, eliminating corruption, and trying the leaders of the defunct regime. We fully believe that this country can only be ruled through democracy, and that no regime will stabilize unless it submits to the patriots.

AL-MUSTAQBAL: What is your position on cooperation with other active parties in the Sudanese arena?

Al-Hindi: We, the DUP, are the party of the entire national movement. Therefore, we have opened all our windows and doors to the other parties in order to build a national edifice that will assume responsibility after the transitional period. What we are facing now are essentially national [qawmiyah] and patriotic [wataniyah] diseases, and our immediate task is to save the entire homeland. The role of the parties will come later. We will undoubtedly form a unified national patriotic coalition to assume the burdens of the homeland.

AL-MUSTAQBAL: With which parties do you want to ally?

Al-Hindi: With all parties. We are not against any party.

AL-MUSTAQBAL: Including the communist party?

Al-Hindi: Yes, including the communist party.

AL-MUSTAQBAL: And the Muslim brothers?

Al-Hindi: We give all flowers the opportunity to grow in our country. As for those which are unable to live in our climate, and wither away all by

themselves, we will most kindly bury them and throw them in the garbage can of history.

AL-MUSTAQBAL: In order to frankly define matters, what is your stand toward Hasan al-Turabi? Do you agree to cooperate with him?

Al-Hindi: Hasan al-Turabi no longer represents the Muslim brothers. He was chairman of the Islamic Charter Front. This front comprised the Muslim brothers, the supporters of the Sunnah, the supporters of Prophet Muhammad's traditions, and many other Islamic trends. Al-Turabi is currently busy forming a new political organization. He was Numayri's adviser for religious affairs. Everyone who cooperated with the defunct regime will undoubtedly be affected in terms of his political situation, his conscience, and his political and cultural trends. At any rate, the matter is left to the man in the street. We will extend our hands to and cooperate with anyone who was clean, a struggler in the opposition ranks, and a fighter against the defunct regime. Everyone else is part of the defunct regime. The judgement on this regime is total, and does not excuse a part and condemn the other.

AL-MUSTAQBAL: How do you view cooperation with Al-Sadiq al-Mahdi and the Ummah Party?

Al-Hindi: Al-Sadiq al-Mahdi chairs the second largest party in the country--the Ummah Party.

AL-MUSTAQBAL: Do you mean that you are the first party?

Al-Hindi: Yes, no doubt. We are the first party, because we are party of the Sudanese national movement. As for al-Sadiq al-Mahdi, he is the second power in the country. A formula of cooperation between us and him must be reached. When the defunct regime came to power, it found us Ummah Party united in one harmonious coalition government that achieved many political and economic aims and benefits for the country. I do not think we differ with him on anything; but we have our own view, and they have their own. However, we will meet with them for the sake of the homeland.

AL-MUSTAQBAL: During the uprising period, you signed a charter with the Ummah and the communist parties. Do you intend to continue your activity on the basis of this charter?

Al-Hindi: This is what the coming stages of acting will reveal. Everyone has his own style and course. Primarily we are democrats, and submit to logic in the political facts. We will be with whoever deals with us on this basis.

AL-MUSTAQBAL: How do you view the relationship with Egypt?

Al-Hindi: It is a distinguished relationship based on many bonds--kinship, common interests, integrated economy, and a long history that dates back thousands of years. There is no doubt that Egypt is part of us, and we are part of it. We affect it, and it affects us.

AL-MUSTAQBAL: What you have said about the distinguished relationship is understood. But in order to place matters in their proper perspective, how do you view the actual Egyptian-Sudanese relations? Do you believe the old integration policy should continue?

Al-Hindi: The old integration between Egypt and Sudan was undoubtedly a pan-Arab integration. However, the Sudanese people were not involved in it. Since the Al-Sadat administration, we often warned the Egyptian government against concluding agreements that were dictated from above, and therefore inconsistent with the interests of the Sudanese and Egyptian peoples. We said that this was harmful to the relations between the two peoples.

AL-MUSTAQBAL: How do you view Sudan's relations with Libya?

Al-Hindi: Libya was the refuge for the Sudanese opposition. We received all kinds of unlimited and unconditional assistance from Libya. We depend on Libya in both our near and distant future. We also depend on it in resolving the problem of the South, as well as the economic problem.

AL-MUSTAQBAL: And Ethiopia?

Al-Hindi: There was no dispute or estrangement between us and Ethiopia. It was the defunct regime that provoked estrangement and clashes in order to obtain foreign aid. Ethiopia has never provoked us. We know that, and it knows that too.

AL-MUSTAQBAL: How do you view your relations with the United States?

Al-Hindi: We aspire for equal relations with the United States, the USSR, and Western Europe. They know that before Numayri, our relations with Washington were based on equality and mutual respect.

AL-MUSTAQBAL: What is your position on the military agreements that Numayri signed with the United States?

Al-Hindi: Any agreement that conflicts with our national and pan-Arab stands, and with the policy of positive neutrality that we uphold, is considered canceled.

AL-MUSTAQBAL: What is your information on the existence of U.S. military bases on Sudanese territory?

Al-Hindi: Numayri might have signed such agreements. However, the U.S. Administration itself did not rush into implementing them, because it knows the nature of the Sudanese people. It knows that the Sudanese people would not allow their country to become a springboard for aggression against anyone. We are friendly to everyone. We will not allow anyone to use our territory as a springboard for aggression against our neighbors or anyone else.

AL-MUSTAQBAL: Finally, how do you view your relations with the USSR?

Al-Hindi: No doubt, we will restore relations to the appropriate level and within the framework of common interests and the exchange of stands that support justice.

SUDAN

AL-MUSTAQBAL INTERVIEWS SUDAN'S AL-TURABI

JN181015 Paris AL-MUSTAQBAL in Arabic 15 Jun 85 pp 30-33

[Interview with Sudanese Muslim Brotherhood leader Hasan al-Turabi by As'ad Haydar--date and place not given]

[Excerpts] AL-MUSTAQBAL: During the last 3 years of Numayri's rule, Sudan turned into a U.S. protectorate. Is this not true? How did you agree to mortgage Sudan to the United States?

Al-Turabi: Do you consider our welcome and acceptance of it [the United States] a mortgage?

AL-MUSTAQBAL: You have recently been in disagreement. [Sentence as published]

Al-Turabi: Never.

AL-MUSTAQBAL: You have cooperated with Numayri for over 2 years and during these 2 years...[ellipses as published]

Al-Turabi: Never. Never.

AL-MUSTAQBAL: We have not heard that you adopted a different stand.

Al-Turabi: You have not visited Sudan. Demonstrations were staged in support of the Iranian revolution and also against Camp David. Who brought about the anti-Numayri policies? Ask Numayri and the SSU about the ones who opposed him. The others harbored a mammoth opposition for him, but they concealed it.

AL-MUSTAQBAL: Why did you deal with him if you opposed him?

Al-Turabi: He thought that he could put up with this opposition, as he knew that he would fall if he confronted us. When the opposition against him eventually intensified, and pressure mounted, he fell.

AL-MUSTAQBAL: You mean that he fell only because he confronted you?

Al-Turabi: Of course. Otherwise, why did he not fall in the previous rounds of opposition?

AL-MUSTAQBAL: Did he not fall because the entire Sudanese people could no longer support him?

Al-Turabi: The Sudanese people stood against him last year, so why did he not fall at that time or in the previous year?

AL-MUSTAQBAL: Because he became weak on the Sudanese, regional, and international levels.

Al-Turabi: Observers now say that the political opposition was an Islamic movement. The south was paving the way...

AL-MUSTAQBAL: But Numayri fell because he was finished.

Al-Turabi: This is a coincidence. You had better attribute events to their causes. It is true that the Sudanese people were mobilized against Numayri from the first day of his rule. He undertook an isolationist move with the communists whom the Sudanese people have dissolved democratically. [Sentence as published]

Read about what happened before his downfall to know how he fell. What is strange is that most analysts and observers say that if we had not been at his side and that if we had distanced ourselves from him by 1 meter, he would have fallen.

AL-MUSTAQBAL: In your opinion, can Sudan maintain his mortgaged relationship with the United States?

Al-Turabi: Naturally, this will not happen. Sudan's international, Arab, and Islamic policy will be balanced.

AL-MUSTAQBAL: Can Sudan at present rescue itself from the claws of the United States at a time when it has incurred debts amounting to about \$9 million?

Al-Turabi: Debts do not mortgage you unless you are liable to be mortgaged. Moreover, these debts are not to the United States. They were obtained from Eastern, Western, Arab, and Islamic banks. The defect lies in us, we Arabs, because we gave the United States a trusteeship over Sudan's debts.

AL-MUSTAQBAL: What is your attitude toward the military facilities given to the Americans?

Al-Turabi: These military facilities are very minor ones and we are against them.

AL-MUSTAQBAL: It was reported that there is a military base on the Red Sea.

Al-Turabi: There are no bases, only storage facilities, and we are against them.

AL-MUSTAQBAL: What do you mean?

Al-Turabi: I mean depots of ammunition, food supplies, and weapons in Sudan that were known only by some quarters.

AL-MUSTAQBAL: There is a base on the Red Sea near Port Sudan.

Al-Turabi: No. Perhaps there is a base in the northeastern part that is run by the Egyptian forces.

AL-MUSTAQBAL: But the Egyptians say they have pulled out their forces.

Al-Turabi: I do not know, but some arrangement must have been made with Egypt.

AL-MUSTAQBAL: Do you support establishing relations with Egypt to the extent of setting up bases?

Al-Turabi: No. We supported popular understanding and we are against military axes.

AL-MUSTAQBAL: Will you call for the cancellation of military agreements?

Al-Turabi: We support economic integration agreements and popular agreements. The security and military ones were a special arrangement.

AL-MUSTAQBAL: Regarding Palestine, you cooperated with Numayri. Then the subject of the Falashas came up, although you are Muslim and support the Palestine question.

Al-Turabi: The Sudanese knew nothing about this subject.

AL-MUSTAQBAL: Did you yourself not know about it?

Al-Turabi: No.

AL-MUSTAQBAL: How will you cooperate with the present Transitional Military Council [TMC]?

Al-Turabi: The TMC is not a party that you would necessarily be biased toward one way or the other, but a leadership that plays a neutral and national role--a leadership that is currently assuming authority after having expropriated it from Numayri's May regime with the purpose of transferring it to the people after a year. The TMC's role is to take care of the pressing Sudanese problems until authority is transferred to the people and constitution for the country can be drafted.

AL-MUSTAQBAL: What is your opinion on solving the problems of southern Sudan?

Al-Turabi: The negotiations can start right now, and they can be adopted by the constitution after it has been drafted. In my opinion, the southern Sudanese issue is a cultural, racial, and social issue that had begun with the British and the relative backwardness of southern Sudan compared with northern Sudan. All these factors can provide fertile ground for growing tensions regarding any issue. In light of this, disturbances have occurred throughout all the eras in Sudan. The solution is to safeguard unity or to achieve a unity between southern and northern Sudan. This is a cultural matter that can only be achieved by cementing relations and improving transportation between the sons of the two peoples in the two regions in order that they may unite and become one people. This is in the long run. However, there must soon be urgent economic development projects that would satisfy the citizens in southern Sudan and end their sufferings. A dialogue should also be held with the central government on the distribution of authority. This is an issue that concerns the entire Sudan, because it is based on cooperation with the government. There is also the administrative issue of southern Sudan. Is it to continue being one region, or is it to be partitioned? This is an issue that should be discussed with the southern Sudanese citizens.

AL-MUSTAQBAL: John Garang has proposed a solution not only for the southern Sudan issue, but also for the entire Sudan.

Al-Turabi: This is Garang's opinion. However, there are other forces in southern Sudan. The dialogue on the issue of administrative partition is basically a southern Sudanese dialogue.

AL-MUSTAQBAL: But Garang is the strongest force in southern Sudan.

Al-Turabi: The equatoria people are unanimous on the need for an independent Equatoria Region. Garang has attempted to bring the rebellion to them. There are also different opinions in the Upper Nile Region.

AL-MUSTAQBAL: Thus, you do not consider Garang a representative of southern Sudan?

Al-Turabi: No.

AL-MUSTAQBAL: Are there any other groups in southern Sudan that talks or negotiations should be held with?

Al-Turabi: Of course. There are the groups in the Upper Nile Region and the Equatoria Region. These groups are present in Khartoum. However, the Garang group depends on him--and I believe that the issue of this group is John Garang's issue. However, this group does not fight; rather, it seeks to support his military stands through a parallel political stand. As a result of these political and military pressures, Numayri divided southern Sudan into three provinces. However, the other region, where the Al-Dantar tribe

resides, insists on unity. There are also other tribes in this region who are now fighting John Garang on their own.

AL-MUSTAQBAL: How do you view Sudan's relations with its neighbors, Libya and Ethiopia?

Al-Turabi: Normalization with Libya will progress, because basically there is no difference on any issue between Sudan and Libya. Integration is possible between Sudan and Libya, especially since the economic situation in both countries makes integration between them logical.

AL-MUSTAQBAL: And Egypt and Sudan?

Al-Turabi: Relations between the Sudanese and Egyptian peoples are historic and cannot be severed. However, from the economic point of view, integration between Sudan and Libya is necessary, because they need a labor force and we need foreign currency. There is also another issue, namely, that we agree on some African matters or affairs.

AL-MUSTAQBAL: Do you agree with the Libyan interpretations concerning Chad?

Al-Turabi: If Sudan agrees with Libya on a political issue, then this issue will automatically be solved. However, the civil war and the consequent killing and destruction is attributed to the fabricated Sudanese-Libyan differences.

AL-MUSTAQBAL: And Ethiopia?

Al-Turabi: Ethiopia also has broad historic relations with Sudan. However, the relations between the two countries have become complicated due to the Eritrean revolution. Of course, you know that there are a number of political refugees in Sudan, that the Eritrean leaders travel via Sudan, and that Ethiopia accuses Sudan of being biased toward the Eritrean revolution. Therefore, in return, Ethiopia adopts a biased stand toward the rebellion in southern Sudan.

CSO: 4500/136

SUDAN

FURTHER ON COUNCIL COMMITTEE-TRADE UNION TALKS

JN061140 Khartoum SUNA in English 1030 GMT 6 Jun 85

[Text] Khartoum, Jun 6, (SUNA)--The political committee of the Transitional Military Council met yesterday with representatives of the trade unions alliance for consultation on national issues.

The meeting tackled the draft constitution, the problem of southern Sudan and elimination of the defunct regime's effects.

The conferees called for suspending discussion of the draft constitution which was proposed by the TMC on ground that the alliance had drafted a constitution for the transitional period which is due to be submitted to the TMC and the Council of Ministers.

Discussion also focused on the importance of eliminating institutions and policies laid down by the defunct regime including the 1983 laws (shari'a laws).

The alliance called for improving civil service and purging it from the servants of the ill-fated regime.

In this regard, the alliance called for abolishing the exemption act for 1977 underlining that the underlings of the defunct regime could not be tried without abolition of that act.

They also demanded the appointment of civil governors for the regions to replace the military governors during the transitional period.

The meeting asked the political committee to brief the TMC on viewpoints of the conferees.

CSO: 4500/136

10 July 1985

SUDAN

BRIEFS

JAPANESE TECHNICIANS TO VISIT--Khartoum, 31 May (SUNA)--A Japanese technical delegation arrives here late June to conduct a survey prior to the implementation of a refugees water project financed by the Government of Japan at the cost of 2.5 million U.S. dollars in Kassala, Eastern Region. The project which will benefit both refugees and citizens in the area is the outcome of a Sudanese proposal presented during the sessions of the second world conference on assisting African refugees convened in Geneva, last year. [Text] [Khartoum SUNA in English 1049 GMT 31 May 85]

STARVATION, TORRENTIAL RAINS--Juba, Southern Sudan, 10 Jun--Five people died of hunger in Lolobu on the Juba-Torit road, local authorities in the area [word indistinct]. The people of Lolobu were threatened by starvation and large numbers emigrate to Juba. On the other hand, the officials said torrential rains later even swept away the newly cultivated crops. [Text] [Khartoum SUNA in English 1650 GMT 10 Jun 85]

WARNING OF ISRAELI-MADE GOODS--Khartoum, Ramadan 23, 11 Jun (SUNA)--Acquiescing to a warning from the Ministry of Energy, Industry and Mining, the Chevron Oil Company of Sudan agreed to return a shipment of an Israeli-made spare parts that it imported to the country. Chevron Company of Sudan, a subsidiary of the gain American Standard Oil Co. of California, is exploring for oil in Sudan. Chevron officials said the shipment was introduced inadvertently to Sudan, and that the company has no information about Sudan's commitment to the Arab boycott to Israel. The ministry has warned the company against importing Israeli-made goods. [Text] [Khartoum SUNA in English 0950 GMT 11 Jun 85]

DEATH OF SUDANESE POLITICIANS--Khartoum, 13 Jun (MENA)--Three members of the Sudanese Revolutionary Committee died in a car accident while en route to Al-Husayhisah to hold a political seminar there as part of the members of the pro-Libyan Sudanese Revolution Committees' Movement. The three Sudanese are: Sulayman al-Hajj, Hamid al-Na'im, and Zaynab Ahmad Adam. In addition, correspondent Yusuf Muhammad Yusuf also died. Ten other persons were injured, three of them critically. [Text] [Cairo MENA in Arabic 1710 GMT 13 Jun 85]

PRESS COMMITTEE ENDORSES PUBLICATIONS--Khartoum, 15 Jun (SUNA)--Press and publications committee today endorsed the issuance of newspapers of the Islamic National Front, the Communist Party, and two other private papers. [Text] [Khartoum SUNA in English 1725 GMT 15 Jun 85]

TV TRADE UNIONS' MEMORANDUM--Khartoum, 17 Jun (SUNA)--The Sudan television corporation trade union alliance has submitted a memorandum to the minister of information and culture calling for the purging of May's elements including the corporation's general manager. The memorandum called also for urgent action. [Text] [Khartoum SUNA in English 1044 GMT 17 Jun 85]

INVESTIGATIVE COMMITTEE FORMED--Khartoum, 17 Jun (SUNA)--Attorney General 'Umar 'Abd-al-'Ati issued an order today giving some of his powers to the committee which has been formed to investigate those responsible for the 25 May coup in 1969. The powers were given under the criminal procedures law, the attorney general law, and the graft law. Those responsible for that coup are: Ja'far Muhammad Numayri, Ba-Bakr 'Awadallah, Khalid Hasan 'Abbas, Abu-al-Qasim Hashim, Abu-al-Qasim Muhammad Ibrahim, Ma'mun 'Awad Abu-Zayd, and Zayn-al-'Abidin Muhammad Ahmad. The committee is chaired by 'Abd al-Wahhab Muhammad 'Abd al-Wahhab and comprises attorneys Muhammad Sa'id Badr, Muhammad al-Wasilah, and Hamid Muhammad Hamid. It also comprises representatives of the police and the attorney general. The committee has the right to seek the help of other people. [Text] [Khartoum SUNA in Arabic 1718 GMT 17 Jun 85]

PLANE MISSING IN SOUTHERN REGION--Khartoum, 17 Jun (SUNA)--A small Cessna plane belonging to the Southern Region, with nine people on board, was lost today between Khartoum and Malakal. A responsible source at the Civil Aviation Department told SUNA that contact with the plane was cut. A British plane which was in the same area received an SOS from the missing plane clarifying that it was having difficulties in an area 75 km from western Malakal, but the nature of the incident is not yet known. SUNA has learned that eight people in addition to the pilot were on board of the missing plane. They are officers of the People's Armed Forces in Malakal. The plane was scheduled to arrive in Malakal at 1120 today. The SOS was received at 1055. Competent Malakal authorities have been informed so that they can carry out a search campaign. [Text] [Khartoum SUNA in Arabic 1732 GMT 17 Jun 85]

CSO: 4500/136

JORDAN

SOLUTIONS SOUGHT FOR UNEMPLOYMENT

London AL-SHARQ AL-AWSAT in Arabic 5 May 85 p 6

[Article: "Jordan Looks for a Way Out of the Unemployment Crisis--Conference of Jordanian Emigrants in the Coming July"]

[Text] Numerous countries in the region are facing difficult economic circumstances as a result of world economic conditions, the Gulf war and other factors which impact upon the labor market and upon workers in these countries in one way or another.

However, the labor market and workers' conditions in Jordan differ from those in any other country, because of the numerous contradictions that have arisen with the tremendous development of the Jordanian economy during the last 10 years.

While there are at present about 150,000 non-Jordanian workers in Jordan, we find, balancing this number, about 325,000 Jordanian workers employed outside of Jordan. Yet, in spite of the fact that dozens of job opportunities become available each day, unemployment is widespread in all professions, especially among physicians, engineers, university graduates, and graduates of intermediate institutions. This kind of unemployment is peculiar to Jordan among the countries of the region.

As a result of these conditions taken as a whole, the Jordanian Ministry of Labor and other responsible agencies have begun to take a series of steps to deal with these unnatural circumstances: regulating the influx of foreign workers, tightening up the issuance to them of permits in clerical and accounting occupations, granting work priority to Jordanians, encouraging investment opportunities within Jordan, and studying foreign labor markets in search of employment opportunities for Jordanians.

Foreign worker employment in Jordan is concentrated in agriculture, construction projects and services, these being occupations which large numbers of Jordanians are not presently available to perform, due to the continued emigration of Jordanian workers to foreign countries where they receive higher salaries than in Jordan. This number of non-Jordanian workers is considered to be the maximum permissible. Controls and regulations have in fact been placed on the labor market, so as to give

priority to Jordanian workers in occupations where they are available. Estimates for the future, however, indicate that until 1990 Jordan will continue to need no fewer than 70,000 manual workers, especially in the fields of agriculture and construction.

The issuance of work permits to non-Jordanians is also being tightened in managerial, clerical and accounting fields, these being fields for which there is an abundance of Jordanians. Also, Jordanian workers are being encouraged to enter employment areas which, until now, they have normally not entered--agriculture and hotel services, for example.

Utilization of non-Jordanian workers was necessary in order to carry out large development projects, such as potash, fertilizers, irrigation canals in the Jordan valley, large housing developments, etc. Furthermore, this plentiful labor supply moderated the otherwise possible large increase in wage levels, an increase which would normally have been a principal cause of local inflation and of a rise in the price of Jordanian products, which would have impacted negatively on the Jordanian worker and made it less possible for local commodities to compete with foreign ones. However, it is expected that this proportion will change in coming years, since about 35,000 Jordanians will be entering the labor market yearly. Since it will be difficult to provide managerial jobs for them all, some of them will be forced to turn to jobs involving manual labor, which is a desirable situation and one encouraged by the responsible authorities.

Through implementation, beginning next year, of the 5-year plan for the coming years, many employment opportunities are expected to become available to restrict unemployment in Jordan--particularly, the so-called "structural" unemployment among graduates of universities and intermediate institutions. The nature of the new employment opportunities will depend on the sorts of projects in the coming plan; however, it is hoped that it will include small and medium-sized projects in all regions of the kingdom, especially in agriculture. Also, many Jordanian workers will take the place of the present non-Jordanian work force. An obstacle to this process, however, is the concentration of unemployment among women, particularly as it is not easy for Jordanian women to go to distant places of employment, and since women do not enjoy the same degree of flexibility in transferring between work places as men do.

Reasons for the Slowdown

Experts relate the present slowdown in the Jordanian labor market to a series of factors, among them the relative slowdown which the countries of the region are experiencing generally as a result of world economic conditions, the Iran-Iraq war, and the drop in the oil revenues of countries in the Gulf Cooperation Council. This recession has a clear impact on workers' conditions, in that some companies are laying off their workers, wages are failing to rise by levels commensurate with past years, and employment opportunities are scarce.

During the past year, approximately 17,000 job hunters were registered, and more than half the number obtained jobs through the employment agencies. It is hoped that positive tendencies will be realized in the labor market, that a greater degree of worker stability on the job will be realized, and that labor relations will improve from the point of view of time, proficiency and regularity on the job.

Among the activities that the ministry is presently undertaking is the organization of the Jordanian emigrants' conference that will be held in Amman in the coming July to study the conditions of Jordanian workers of various levels and professions abroad, and to strengthen their relationship to their homeland, which will be of advantage both to them and to the local labor market.

The idea for the conference came in a directive issued by the Jordanian government in the light of the existence outside the country of about 325,000 Jordanians of all occupational levels, most of them working in the countries of the Gulf Cooperation Council. As an expression of the government's desire to strengthen ties between this overseas Jordanian community and its homeland, to keep abreast of its interests and problems, and to help solve the latter, a plan was formed to convene this conference in the period between 20-24 July.

The conference has as a goal the exploration of the work and living conditions of the expatriates and their interests, in order to take the steps necessary to help them. It also has the goal of making the expatriates aware of the investment opportunities in Jordan, which would at once realize income and security for them and contribute to development efforts. Furthermore, it aims at informing the expatriates of economic and social conditions in Jordan and at studying employment opportunities that might exist abroad for Jordanian labor.

Various Working Papers

The discussions at the conference will cover numerous subjects. Among them will be a working paper presented by the Foreign Ministry in order to inform the expatriates of the government's positions on various issues. There will also be an economic working paper presented by the Central Bank, reviewing the situation and accomplishments of the Jordanian economy, and a statement on available investment opportunities and incentives offered by the government to encourage investment. There will also be a number of working papers discussing the labor market and workers, social relations between Jordan and the emigrant, and emigrants' problems abroad or when they return home.

The conference's organizing committee has proposed that the number of participants from abroad be about 300, beside representatives of the Jordanian embassies and labor consultants, with 60 other persons to be chosen as alternate participants in the event that some of the original participants are unable to attend. Care is to be paid in the selection as to occupational distribution, so that at least a minimum

number participate from the various occupations engaged in by workers abroad, to geographical distribution, and to there being among the participants working groups from the government sector, others from the private sector, as well as employers and civil servants on loan.

The Jordanian embassies and consular missions abroad will handle the nomination of numbers of Jordanians, according to a special form which has been prepared for this purpose. Care will also be paid in the selection to there being some participants of Jordanian origin, though not necessarily having retained Jordanian citizenship, from the European countries, America and Australia. Opportunity to participate will also be extended to expatriates who happen to be in the country during the period of the conference. A discount of 50 percent on travel and lodging expenses will be given to each participant and to his family and companions, and special programs will be arranged for their wives to inspect social, developmental and other projects.

12937

CSO: 4404/366

JORDAN

PARLIAMENTARY DEBATE ON NEW GOVERNMENT REVIEWED

London AL-TADAMUN in Arabic 11-17 May 85 p 17

[Article by Najih Khalil: "In the Session for Granting Confidence to the Government of al-Rifa'i, 48 Give Their Blessing, 6 Withhold Confidence, and 6 are Absent"]

[Text] For 12 consecutive hours on Monday, 29 April 1985, the Jordanian deputies discussed the ministerial statement of Mr Zayd al-Rifa'i's government. The deputies' prolonged discussion branched out to include a call for serious effort to restore Arab solidarity, the drawing up of a comprehensive plan for the development of the West Bank, and consideration of the Jordanian-Palestinian agreement as one of the fruits of the struggle to liberate the land.

This was in the field of political activity.

As for local and domestic fields, the deputies called in their discussions for an easing of measures dealing with travel across the bridges, an easing of martial law, and the establishment of judicial supervision of the executive authority.

On the economic level, the deputies called for balanced participation of public and private sectors, review of the conditions of the largest companies, and protection of the construction sector. They also called for development of the agricultural sector, continuation of oil drilling, and reorganization of the marketing operation for lowland [i.e. Jordan valley] agricultural products.

Although a number of deputies based their remarks on the text of the ministerial statement, others went beyond it to points not included in the statement--such as the issue of political detainees and prisoners, and an insistence on the importance of allowing the formation of political parties and the granting of general freedoms.

Responding to the deputies' remarks, Zayd al-Rifa'i defined the broad lines of his government's policy in the coming period in the following points:

1. The government will not resort to the use of martial law, except within the narrowest limits necessary. Its use will be restricted to cases that touch on the security of the nation and people and on the struggle with the enemy.
2. The citizen has a right to live freely and tranquilly, without fear, anxiety or domination. He is free in his opinion, free in his belief, free in his expression, free in his work, as long as his freedom is the freedom of a responsible person committed to the good of his nation and the welfare of his country.
3. As for the detainees, their number is very small. All are accused of committing crimes and are under custody for investigation. As for those who have been sentenced, some are murderers, some dealers with the enemy, some thieves and drug smugglers. Among them, too, there is a group against whose members collective judgments have been issued on account of their connection with well-known cases. We shall review their situation in accordance with the king's directives.
4. The government is determined to draw up a development plan for the West Bank. We shall review the measures and restrictions concerning travel on the bridges and residence, taking as point of departure stabilization of the population on the land and the strengthening of their firm resolve to stay on it, on the one hand, and the easing of their life and movement and carrying out of their interests, on the other, together with a regard for security matters.
5. The government will not have recourse to the issuing of legislation that would violate the independence of the judiciary, it being the government's desire that justice take its course.
6. A conference for Jordanians living abroad will be held shortly in order to learn their complaints as well as their aspirations. We will listen to their suggestions and ideas, and shall try to put them into practice.
7. In the economic area, a ministerial committee has been formed to deal with the situation of major industries and companies--such as potash, fertilizers, southern cement, glass and wood.
8. The government is resolved to exert maximum effort to do away with reasons for complaint involving the obstruction of citizens' transactions, and is resolved to combat red-tape and modernize the administration.
9. In the area of food security requirements, the government's policy will be based on making the principal commodities available at stable and reasonable prices, the maintenance of a strategic reserve of these commodities, and the supervision of their price levels for the protection of the consumer.

10. On the political side, the government considers the Jordanian-Palestinian agreement of 11 February 1985 a great achievement, one that made clear the relationship and joint responsibility of the Jordanian government and the PLO, and made it clear that peace efforts are not an exclusively Jordanian or Palestinian policy, but are a policy agreed upon in common by the Arabs at the Fes summit, and that this joint move comes in response to this Arab consensus. Al-Rifa'i affirmed that his government's policy has not changed, and that it has as its aim the participation of a Jordanian-Palestinian delegation in an international conference to be attended by all the affected parties to carry out the international resolutions. And he said, "The formula of separate negotiations has no existence in the policy of Jordan."

After the speech in which Zayd al-Rifa'i replied to the deputies, a vote of confidence in the government was taken. In it, the government, with 48 votes, won the confidence of the House of Representatives, while 6 deputies withheld their confidence: Yusuf al-'Azm, 'Abdallah al-'Ukayilah, Riyad al-Nuwayisah, Hafiz 'Abd-al-Nabi, Ahmad al-Kufhi, and Layth Shubaylat. Six deputies were absent from the session for various reasons; among the latter were 'Abd-al-Ra'uf al-Faris and Farid al-Qabih, deputies from the West Bank.

Aside from the air of satisfaction that pervaded the galleries of the House of Representatives during the vote of confidence session, and the general feeling in Jordan that a new period of development and modernization has begun, and that the al-Rifa'i government will make great efforts to bring Jordan out of the current stifling economic slowdown which has settled over it for the last 2 years, objectivity demands that it be said that al-Rifa'i's government will face great challenges if it is serious about putting into practice everything that the head of the new government indicated in his reply to the deputies.

Al-Rifa'i is assuming power during an extremely critical period for Jordan, both economically and politically. On the one hand, Jordan is suffering from causes of economic slowdown, whose result throughout the last 2 years has been a scarcity of monetary liquidity and a decline in the level of commercial activity among the various firms in the private sector. Al-Rifa'i was therefore eager on the day after the formation of his government to call for stimulating the role of the private sector and for taking swift measures to limit the interference of government sector institutions in a number of the principal food supply items.

If al-Rifa'i is really serious about getting the country out of the current scarcity of monetary liquidity, he will have to make the decision to print quantities of new money to be issued into the market. In the case of such a step, he will be forced to balance this new money with a new reserve of hard foreign currency and to lower

the value of the dinar. Besides this, he will be forced to review completely the overall tax structure in Jordan, a structure which frightens many Arab investors and prevents them from investing their wealth in investment projects within Jordan. Reports have been circulating on this subject to the effect that al-Rifa'i will issue a decision exempting Arab investors from income tax for a period of 20 years.

The other challenge confronted by the al-Rifa'i government, one which will occupy a great deal of time, is the Jordanian government apparatus, which is in need of great development and modernization in order to come up to that level of expectations in the economic realm which al-Rifa'i's government has brought about.

In the area of political activity, al-Rifa'i, who is known for his good relations with Damascus, will be forced to balance assiduously between his efforts to improve relations with Damascus and adherence to the basic priorities of overall Jordanian policy, which is based upon alliance with Egypt, Iraq and the PLO--parties which have great differences with Damascus.

If the head of the new Jordanian government, a man known for his profound diplomatic experience and political acumen, is able to reconcile the conflicts among the Arabs in this period, he will without doubt succeed in making Jordan a great motive force for the policy of Arab solidarity.

12937

CSO: 4404/366

JORDAN

BRIEFS

PARDON FOR POLITICAL PRISONERS--AL-TADAMUN has learned from information Jordanian sources that the government of Zayd al-Rifa'i is about to issue a general pardon for all political prisoners in Jordan; also, that matters will be expedited for those persons whose passports have been confiscated, inasmuch as the government will study the matter from all sides with a view toward returning the passports to their owners. The same sources say that many of the security measures that were in effect in the past will disappear. Also, the government of Zayd al-Rifa'i will move to abolish the permits that Jordanians intended to visit Syria were forced to obtain. These sources said that Mr Hasan al-Kayid, the interior minister of Jordan, will soon visit Damascus to meet with his Syria counterpart. [Text] [London AL-TADAMUN in Arabic 27 Apr-3 May 85 p 6] 12937

CSO: 4404/366

KUWAIT

ARAB TIMES CRITICIZES ARAB LEAGUE THINKING

GF111036 Kuwait ARAB TIMES in English 10 Jun 85 p 4

/"Opinion" column by Ahmed Jarallah: "Arab League Must Tune in to the Times"/

/Text/ When Egypt was defeated in the 1967 war against Israel, some Arab politicians said that Arabs should continue the fight until the last Egyptian soldier fell. Meanwhile, their own troops were a long way from Israel's tanks and guns.

They were not blaming President Gamal Abdul Nasser: the war against Israel was a logical one. They wanted his leadership to fail in order to replace it. They also wanted to rally the Arabs to one front, namely Egypt, in order to keep their own fronts safe from the war, even though Israel had proved it had a long reach, as was clear when Israel attacked Iraq's nuclear reactor.

Now, the Arab League seems to want Lebanon to be the front for the war. We believe this should be reconsidered.

There was a chance in 1967 of restoring the West Bank and Gaza Strip to the Arabs, but this chance was lost because of the disputes among the many Palestinian leaders, each of whom dreamt of becoming the president of the Republic of Independent Palestine. This struggle for power caused the failure of King Husayn's peace initiative then.

If the Arabs had taken a pragmatic view at that time, we would not be in our present situation.

Now there are no collective, friendly relations among the Arabs and the many disputes are all being solved by secret mediation or by official meetings.

The absence of friendly ties among Arab countries has been shown by our failure, year after year, to get an Arab summit conference going.

Take Egypt. Some Arab countries consider it should return to the Arab League. They believe this because it has achieved more than those Arab countries which could only mouth revolutionary slogans. Other Arab regimes do not agree and insist on continuing the boycott of Egypt.

The meeting in Tunis, which has failed to attract all the Arab leaders, will not achieve anything for Lebanon: it will instead lead to the same situation that followed the 1967 defeat. This situation will not change unless the Arab League convention is reconsidered.

Arab thinking must change. We must face the world with logic and reasoning, otherwise we will continue to hear the same statements that were valid only in 1948.

CSO: 4400/172

PALESTINIAN AFFAIRS

JPRS-NEA-85-089
10 July 1985

USSR SUPPORTS LIBYAN EFFORTS TO UNIFY PALESTINIANS

GF091528 Kuwait AL-GABAS in Arabic 8 Jun 85 p 1

/Dispatch from AL-GABAS Bureau in Paris/

/Text/ Informed Arab diplomatic sources have disclosed to AL-GABAS that Libya is holding contacts with Palestinian, Arab and international parties to hold a conference in Tripoli to unify the major Palestinian organizations.

The sources said the Soviets support Libya's efforts and that they are encouraging some of their Palestinian allies to respond to these efforts.

These Libyan efforts are a result of the fighting in the Palestinian camps in Beirut and Col Mu'ammarr al-Qadhdhafi's strong rejection of this fighting. They are also a result of many contacts which have been held between Libyan officials and the PLO leadership in general, and some major Fatah leaders in particular.

The sources emphasized that this issue was discussed in detail during the talks held by PFLP Secretary General George Habash during his visit to Libya last week and this week. Habash met in Libya with al-Qadhdhafi and Maj 'Abd al-Salam Jallud. Libya's contacts also involved the Democratic Front for the Liberation of Palestine led by Nayif Hawatimah.

The sources affirmed that Salah Khalaf, alias Abu Iyad, will visit Libya to prepare for a meeting between al-Qadhdhafi and Yasri 'Arafat. They noted that Libya is currently seeking Arab support for its steps in this direction before these steps are announced.

The question being asked is: Will this Libyan move lead to an estrangement with Syria? In actuality, Syrian-Libyan relations have not reached estrangement although these relations are undergoing great tension, the likes of which have not been seen for many years. This tension is shrouded with much secrecy. The sources told AL-GABAS that tension in relations between Syria and Libya began before the camps war. The sources said this tension began when Col al-Qadhdhafi proposed to Syrian officials to visit Damascus last March to reach an agreement to announce a new unity formula that would mainly include Libya, Syria, the PDRY and Algeria. At that time, Syrian officials did not show enthusiasm to adopt a decision for unity with Libya. They conveyed this to Libyan officials. The result was that Col al-Qadhdhafi canceled his visit to Damascus. After

that came the strike in April in Western Beirut against the al-Murabitun movement led by Ibrahim Qulaylat by Amal and Walid Junblatt's forces. Relations became tense with the breaking out of the camps war. These developments increased the tension between Damascus and Tripoli. This tension heightened, particularly after revelation of the telephone conversation which was held between 'Arafat and al-Qadhdhafi.

AL-GABAS has learned that Syrian officials have blamed the Libyans for the article written by the JANA political commentator on 31 May which absolved Yasir 'Arafat of responsibility in the camps war and implicitly criticized 'Arafat's expulsion from Syria and Lebanon in 1983. The article said in part: 'Arafat is the victim of a plot aimed at eliminating the Palestinian presence in the region and that we can "vouch for his innocence." Referring to 'Arafat's expulsion from Damascus and later from Tripoli in northern Lebanon, the article noted that "the expulsion of 'Arafat and his leadership is part of a plot aimed at expelling all the Palestinians and the Lebanese nationalists from the region, thus leaving only Lebanese Shi'ites and Maronites to remain." JAMA concluded its article saying: Whatever has been said about 'Arafat's political errors, this cannot justify the massacre of Palestinians and the shedding of their blood in disrespect of any religious or moral values.

Despite all this, Libya and Syria have not reached estrangement, and it seems that the two countries are eager not to reach estrangement. Therefore, contacts are still continuing between Damascus and Tripoli, and by senior officials of the two countries continue.

However, informed Arab sources believe that the two countries will become estranged if Yasir 'Arafat visits Libya and if al-Qadhdhafi succeeds in his efforts to unify the principal Palestinian organizations under his supervision.

In this connection, AL-GABAS has learned that Soviet officials support this new Libyan move, not only because they strongly reject the camps war and its continuation but also as a kind of secret pressure on Damascus. The informed Arab sources believe that this new Libyan move is part of a new political plan set by al-Qadhdhafi which aims at avoiding being part of a certain axis and opening doors to many Arab countries.

CSO: 4400/172

QATAR

BRIEFS

PAPER WANTS SECURITY NETWORK--In its editorial today, the Qatari newspaper AL-RAYAH emphasizes the need for establishing a comprehensive security network for the GCC countries. Calls for this security network do not spring from dust. Rather, they are calls envisaging the threats menacing the region's countries which have started to appear in their ugly shape in the acts of terrorism against Kuwait and which were directed at the amir, Shaykh Jabir al-Ahmad al-Sabah, the paper says. /passage omitted praising GCC cooperation/
AL-RAYAH continues: Prosperity cannot be achieved without stability which makes it necessary for all GCC citizens to be highly conscious and aware to enable the security organs to carry out their noble mission and honorable role. Concluding, the paper emphasizes that the GCC countries, which are trying to establish reconciliation and accord in the region through their efforts to defuse the flaming tension in the Gulf, will not allow terrorism to undermine their security and stability. They are able to protect this security through the efforts of their people and the cooperation of their organs. /Excerpts/
/Doha QNA in Arabic 0810 GMT 8 Jun 85/

CSO: 4400/172

10 July 1985

SAUDI ARABIA

BUSINESSMEN DISCUSS PRIVATE SECTOR'S FUTURE

Working Papers Prepared

Riyadh TIJARAT AL-RIYAD in Arabic Apr 85 pp 36-39

[Text] In preparation for its conference, the Saudi Council of Chambers of Commerce, which wanted the issues which would be brought up and the discussions which would take place at the conference to express the businessmen's hopes and desires to play a more prominent part in the development process, conducted extensive inquiries into the views of businessmen as to the major problems and obstacles they face in their activities. The various Saudi chambers of commerce presented their views about these matters, after which the national sector committees met on the nation-wide level to subject the suggested topics to a comprehensive, objective overview, in light of which the working papers submitted to the conference, in addition to the basic working paper, were prepared.

The working papers dealt with the various sectors of the private sector, and covered the following subjects: the situation and future of the contracting sector, the situation and future of national industry, the situation and future of the agricultural sector, and the situation and future of the financial sector.

The Basic Working Paper: A Better Future For the Private Sector

The basic working paper, the title of which was also the conference's slogan, was intended to propose and discuss the innate abilities of the nation's private sector and the problems hindering its development, for the purpose of creating a better climate not just for this sector's continued growth but for its leadership of the development process under the auspices of a free economy which primarily relies on individual initiative and the free market system. This paper analyzes the volume of capital accumulation achieved by the private sector and the importance of maintaining it, and reviews the problems facing the potential development and utilization of the private sector's capabilities in agricultural, industrial, contracting and banking activity. It presents practical suggestions for development and discusses the part the chambers of commerce and their council can hopefully play in supporting and carrying on the private sector's progress.

Naturally, the private sector's development role is more urgent now than it has ever been in the past, because of the tremendous progress in development which the Kingdom has been able to achieve in the past few years, which has enabled the state to complete its efforts to establish an infrastructure as well as to establish effective measures for providing incentives for various production activities. In addition, the state has been successful in setting up several large petrochemical complexes in al-Jubayl and Yanbu'.

Not surprisingly, our enlightened government has great hopes that the private sector will play a more effective role in development and construction. The private sector, along with high level government officials, is examining the conditions and guidelines which will ensure a more effective development role for itself at the present time. That is, the relationship between the government sector and the private sector is an exemplary, capable and unique one, and has become an example for continuity, harmony and solidarity.

Without a doubt, the government's new policy of creating and setting up various areas within the fourth development plan will make the Kingdom's businessmen even more determined to exert greater efforts to double their accomplishments, and to achieve the goals of this beloved country and the aspirations of its people by promoting growth and progress.

Perhaps the most important features of this new policy are the direction of the major part of capital towards the production sectors, the drop in the percentage of investments in infrastructure because of the virtual completion of this infrastructure, the tendency to concentrate capital in production projects, and the concern being given to operations, maintenance and periodic adjustment of fixed capital. In the context of economic freedom and the open market, the private sector is considered the foremost cornerstone of development.

This policy for the various areas of development has the following features:

1. Formulation of an industrial policy based on reducing dependence on a single production sector, so that any relative drop in this single sector (the petroleum sector, for example) will not negatively affect the overall growth rate of the nation's economy. Therefore, this policy tends to direct the private sector towards diversifying the production base with high productivity projects in industry, agriculture and mining.
2. Concentration on hydrocarbon industries, and a tendency towards horizontal and vertical expansion in the petrochemical industries, which need less manpower, consume fewer critical resources, and produce products which can take the place of foreign products.
3. Encouragement of joint investment in the various industrial and mining projects and the large agricultural projects, and getting foreign companies to pay greater attention to the economic equilibrium plan.
4. Creation of new investment fields in operating, managing, maintaining and overhauling some utilities, as well as in support industries such as building material industries.

5. Making efforts to shift commercial banking activity over to production loans, which requires changing banking policies and regulations to ensure that this sector can assemble the capital needed for the coming plan.

The Activities and Future of the Contracting Sector

The Kingdom's contracting sector is considered one of the national economy's most important and effective sectors, since it receives an abundant share of total investments and influences the rate of real growth in the gross national product. In view of this sector's growing contribution to the gross national product of the private, non-petroleum sector, an overall 6.2 percent drop in this sector's product in 1982-83 as compared to 1981-82 led to an obvious drop in the growth rate of the non-petroleum gross national product. The manufacturing and non-manufacturing companies of this sector comprise about 31.6 percent of all economic establishments, and therefore any faltering in this sector will indubitably have bad economic effects, not only on the performance of the contracting sector, but also on overall economic performance, in view of the interlocking nature of the strong, interconnected relations between this sector and most of the other economic sectors, particularly the building materials industry, the landscaping industry, and the banking sector.

This sector's problems can be reduced to two basic ones.

First comes competition from foreign contractors. Several factors have been observed to have helped foreign companies move into the Saudi market and scout for projects, and to have placed them in a position of influence over jobs worth about 161 billion Saudi riyals during the period 1977-1982. In spite of the fierce competition between Saudi and foreign contractors on the one hand, and between the Saudi contractors themselves on the other hand, for those jobs put up for bidding, which are not as abundant as they were in previous years, these foreign companies, with the help of several factors, the most important being the support they get from their governments, have been able to take over most of the projects put up for bids on the market.

In this context, the following suggestions are made.

1. All state projects, including maintenance and operation projects, should be completely restricted to national companies, who can ask help from foreign companies if the project requires modern, advanced technology.
2. Considering the technical nature of some projects which cannot be divided up among several contractors, it is suggested that the state build these projects with the help of a consortium of qualified national contractors.
3. Saudi contractors should be invited to participate in rebuilding projects which have been destroyed by incidents in fraternal countries, and to construct large projects in Islamic countries which are aid recipients, so as to give the Saudi contractors opportunities to export their services to the overseas market.

The second problem is that the volume of construction credit has dropped because of the Saudi contractors' cash flow problems.

At present, the contracting sector faces many difficulties in obtaining the construction loans it needs, especially now that the banks have recently begun adopting measures intended to restrict the offering of such loans to this sector.

This situation has negatively affected the Saudi contractor's ability to cover his financial requirements for bonds and operating requirements, particularly now, when the volume of projects is shrinking and the severity of competition from foreign contractors for those jobs that are left is escalating. This is inevitably shaking up most of the contractors and reducing their fluidity. If the situation continues as it is, and no prompt measures and solutions in keeping with the scope of the problem are taken, it is not at all unlikely that the Saudi contractors' financial crisis will spread out to encompass most of the existing contracting companies.

Therefore, the working paper suggests that a mutual dialog be promptly initiated between the contracting sector and the banks, under the supervision of the chambers of commerce and sponsored by the state. In this context we bring up the following basic issues.

1. It is suggested that the banks deduct no more than 5 percent of the contractor's income, over a period of time preferably at least 2 years, so that the contractor can retain his fluidity, which would enable him to pay off his debts on time and stay in business.
2. Rising bank service rates should be investigated, and a mutual understanding should be reached as to the possibility of temporarily limiting these increases until the contractor regains his vigor and vitality.
3. In order to reduce the contractor's accumulating interest rate burden, some means should be found to divide up the debtor's account and freeze part of it without interest or at favorable interest rates for a specified period of time, either by the bank's agreeing to schedule these debts or by taking off the top of the contractor's debt account an amount equivalent to what the bank got from him over the past 3 years and setting it aside as a personal loan at favorable interest rates not to exceed 5 percent.
4. The cash amounts shown on organization checks must be credited to the contractor's account the same day they are deposited in the bank.
5. The final bonds should be deducted from the debtor's account after the initial delivery of the project, provided that the contractor's initial bonds are sufficient to meet any demands which might arise in the course of the project.

In this context, perhaps the most important questions and issues on the contractors' minds, which will no doubt receive a major part of the conference's attention, are the dividing up of projects, the foreign contractors' assignment of 30 percent of their projects to Saudi contractors, the demand for reclassifying contractors and issuing classification certificates, the

possibility of establishing a bank for contractors, the possibility that the government might establish contracting corporations to counter foreign competition, the removal of the ban on foreign contractors' entering into recent contracting jobs, complaints about delays in deciding on bids, and problems pertaining to government agencies delaying their payments to contractors.

The Situation and Future of the Financial Sector

In the present circumstances, banking activity is extremely important because it is one of the most important pillars of the Saudi private sector, on the one hand, and because it provides the finance and credit resources needed to allow the private sector to play a leading role in development in the next plan. Therefore, it is important to put an end to the obstacles which face this sector and prevent it from helping to compensate for actual or anticipated convulsions in general investment expenditures or government financial operations in general.

Perhaps the most important observations to be made with respect to the financial sector's finance and credit policy are as follows.

1. These banks are expanding their foreign investments in order to benefit from these markets' high yields.
2. The banks are participating more and more in financing foreign trade operations, especially for capital and intermediate commodities.
3. Loans to finance service activities are increasing at the expense of commodity production activities, which is exactly opposite to the credit facilities offered by specialized government funds.

Three positive things can be said about the Kingdom's commercial banks: the regular reserve rate has dropped, deposits in commercial banks have increased remarkably, and the deposit profile has changed in favor of time and savings deposits.

However, these positive developments are offset by the commercial banks' unwillingness to provide more credit, since they have tended to invest their surplus revenues instead. However, in this context it must be pointed out that many complicated, diverse factors have contributed to this tendency on the part of the commercial bnks, so that they are not solely responsible.

This brings us to the need to ascertain the potentials for bank financing for development in the coming phase, which revolve around the following three points.

1. Growth indices for the banking sector and the development of its credit capabilities show that the commercial banking sector has achieved a remarkable increase in the capital rate and the reserve rate in both liabilities and deposits. The banks' fluid, loanable balance has increased, as have savings deposits in the banks.

2. The commercial banks' inclination towards development financing can be justified by the current low ratio of the local banks' domestic investment to their total assets, when compared to their counterparts in those countries which entered the development field ahead of us. Furthermore, previous investments presented only an insignificant percentage of the banks' total capital and reserves.

3. The major restriction and limitations hampering the commercial banks' tendency towards financing development are as follows:

- a. There is some controversy over the legality of the commissions received by the banks, and there have been many disputes regarding this in the commercial courts.
- b. Court clerks have stopped certifying real estate mortgages.
- c. Many agents do not meet payment dates.
- d. Many agents refuse to present statements about their financial positions.
- e. Some agents lack banking savvy, and some use their credit for purposes other than those agreed on, factors which lead either to the bank's aversion to granting the loan or to a loss of trust between bank and agent.
- f. Conditions for obtaining loans are difficult.
- g. Bank branches in some areas lack full powers.
- h. The state (represented by the Finance Ministry and the Saudi Arabian Monetary Fund [SAMA]) has not stepped in to stimulate the securities market.

The most important suggestions offered in this context are as follows.

- 1. The commercial banks should call in their foreign revenues and invest them in the local securities market.
- 2. The banks should be allowed to own up to 25 percent of the capital of any production project.
- 3. An effort must be made to provide sufficient guaranties] so that the banks can expand their loan operations.
- 4. The state--through SAMA and the Finance Ministry--should start dealing on the securities market by offering long-term government development bonds, or government-guaranteed loans, to absorb the commercial banks' surplus revenues and attract their overseas deposits.
- 5. The banks should encourage their agents and grant them short-term loans at low interest or easy terms, amounting to a specified percentage of the debtor's balance on his current account.

In this context, some of the major questions and issues on the businessmen's minds are as follows: declining prices for shares, guidelines for implementing decisions to protect national industry, tying the financing of foreign projects to the purchase of their requirements from foreign projects, the purchasing power of the Saudi riyal, the establishment of a private sector development bank, and the rescheduling of loans granted by the Industrial Development Fund.

The Situation and Future of National Industry

Because of the rapid growth achieved by national industry, and in order to preserve what the private sector has accomplished in the past, it was crucial to draw up a working paper about the industrial sector for the second conference of Saudi businessmen, so that the problems facing this sector's growth and development could be discussed. This paper, entitled "The Situation and Future of the Kingdom's National Industry," analyzes the problems and obstacles facing national industry as a first step towards finding solutions and suggestions. The most important points covered by this paper are as follows.

1. Marketing problems consist of rising costs of national products compared to similar foreign products and the absence of any effective marketing activity by many national industries, in addition to problems related to advertising, setting prices for products, and difficulties in exporting Saudi products.

2. Industrial financing problems, especially those related to the lack of cash fluidity, constitute the major challenge facing national factories, in addition to other problems related to rising loan installments, shorter payment periods, and the banks' aversion to offering medium- and long-term financing for national industries.

3. As for technological problems, difficulties confront national industry in its desire to obtain technology or else in its utilization and development of such technology, as represented by lack of information for the investor, the monopolization of technology by some international companies, and the unfair conditions they place on the importers of that technology.

4. There are labor problems, particularly with respect to Saudi labor, which is a scarce element in industry because the Saudis have little inclination towards vocational employment. Furthermore, the Saudi labor force is unsettled, moves from one job to another, and is inexperienced.

On the basis of these industrial sector problems, which the businessmen feel must be discussed at the conference, the working paper presents the following suggestions for solving these problems.

1. The government agencies involved must take the necessary steps to put into practice the decisions for encouraging national industry, and must give priority to Saudi products when making purchases.

2. Saudi products must be adequately protected from unjust competition from foreign products, which tend to flood the market.

3. National industries must adhere to Saudi specifications and must try to price their products competitively.
4. The commercial banks must be urged to provide more medium- and long-term loans for the private industrial sector.
5. Specialized technological colleges must be established soon throughout the Kingdom, and the importance of coordination between the General Organization for Technical Education and Vocational Training and the private sector in studying the private sector's labor needs must be stressed.
6. The importance of the information media in making the citizens more aware of national industrial products must be stressed.

The Agriculture Working Paper

This paper discussed the situation and future of the Kingdom's agricultural sector, and covered the following points.

First of all, the general characteristics of the Kingdom's present agricultural situation was discussed, including the component parts of the agricultural sector, the goals of agricultural development, and, finally, details of that sector's growth.

The second point, which dealt with the particular features of the various trends in the Kingdom's agricultural development policy, discussed financing and pricing policy trends, subsidies and protection for agricultural produce, the policy of encouraging wheat cultivation, the crop management policy, the agricultural marketing policy, the water and soil resources policy, land acquisition methods, and, finally, policies pertaining to manpower development, technology, and agricultural guidance. The paper made several conclusions, the most important being the following.

1. The agricultural sector is particularly important to the development plan because it is the source of income for more than 20 percent of the Kingdom's population.
2. In the past, agricultural development was based on subsidies and aid, by means of which encouraging results were achieved, since the agricultural sector's growth rate was about 10 percent, and self-sufficiency in many crops and agricultural and animal produce was achieved.
3. The agricultural sector faced some problems which to a certain extent affected its gigantic progress. The more urgent ones, such as the drop in prices for wheat received from farmers, problems pertaining to pricing, subsidies and protecting agricultural produce, and loan and financing problems, it had to treat with short-term policies. The sector also faced some radical problems, such as production and crop management problems, water and marketing problems, and problems relating to trained manpower and modern technology, which had to be treated with long-range policies.

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The paper concluded with several recommendations which, if adopted, would eliminate the problems facing the agricultural sector and hampering its progress. The most important recommendations were as follows.

1. The private agricultural sector should participate in the formulation of the Kingdom's agricultural development policies.
2. The matter of aid should be re-examined; it should subsidize the local producer instead of subsidizing imports, and any sudden drops in the amount of aid now being granted should be avoided.
3. Agricultural loans should be facilitated, and the commercial banks should be urged to give the farmers long- or medium-term loans to finance their operations.
4. Mechanization of local agricultural production should be encouraged.
5. Local agricultural produce should be protected from foreign competition.
6. Administrative procedures should be facilitated and red tape eliminated, especially with respect to agricultural loans and crop delivery.

Closing Statement Summarized

Riyadh TIJARAT AL-RIYAD in Arabic Apr 85 pp 26-27

[Text] The Saudi businessmen's conference held its closing session in the morning of Thursday 4 April 1985, at the King Faysal Conference Hall. During the session, President of the Council of Saudi Chambers of Commerce and Industry Sulayman 'Ulayan spoke about what the chambers of commerce are doing in various parts of the Kingdom to promote the private sector and develop its role.

He mentioned that the second businessmen's conference was part of the effort to open channels of communication between the chambers and the businessmen, in order to improve the Kingdom's industry and commerce and advise Saudi businessmen as to the proper methods of commercial transactions. During the conference, ways of increasing cooperation between the chambers of commerce and the private sector were discussed.

The closing statement delivered at the end of the session made it clear that the main reason for holding this conference was to create a better climate for furthering the growth and development of the private sector and developing this sector's innate abilities to take on greater responsibilities in implementing development plans, and to give an idea of what the chambers of commerce can do to make the private sector more efficient during the coming phase.

The statement said that the fact that His Majesty King Fahd bin 'Abd-al-'Aziz so graciously sponsored the conference and honored its opening session demonstrates the royal appreciation of the private sector's role in construction and progress. It emphasized that His Majesty's speech was a working document which will light the businessmen's way in their future progress.

The statement quoted paragraphs from the royal speech delivered by His Majesty at the conference's opening session, and pointed out that His Majesty had affirmed the state's commitment to the idea of the free economy as the starting point enabling the private sector to achieve its aspirations and hopes. His Majesty had stressed that the state will continue to support and sponsor this sector, by seeing to it that the finance funds continue to carry out their constructive role in the various economic sectors. His Majesty had also made it clear that it is very important that the private sector adapt to the present phase through which the Kingdom's national economy is passing.

The statement emphasized that His Majesty's advice to businessmen to make their investments within the country was a matter of extreme importance and concern.

The statement added that the conference examined the future of the industrial, agricultural, contracting and banking sectors in addition to issues of concern to the private sector with respect to trade, planning, and related policies.

The statement explained that the conference's activities concentrated on the contracting, industrial, financial, agricultural and commercial sectors and on the role of the chambers of commerce.

The statement, as well as the conference's recommendations, stated that with respect to contracting, the conference examined the possibility of assigning all state projects to national companies, although these companies would be permitted to seek assistance from foreign contractors in case the project calls for operations of a particularly technical nature. The conference also studied the importance of trying to give the Saudi contractor the opportunity to participate in constructing state-financed projects in friendly countries.

The conference stressed the importance of dividing up larger projects among several contractors. As for those projects which cannot be divided because of their technical nature, consortiums of national companies would be invited to bid for the construction of these jobs.

As for the industrial sector, the conference recommended that the government agencies involved take steps to ensure that the decisions to encourage national industry, give purchasing priority to national products, and increase the effectiveness of measures to combat competition and market-flooding from foreign exporters are carried out, and that greater concern be given to providing more electricity for large industrial projects in those areas where they are concentrated.

The conference also stressed the need to encourage the establishment of industrial export development bureaus, whose task will be to provide the necessary information and credit facilities, to find out what export windows are available for local businesses, and to try to get part of the Kingdom's aid to friendly and fraternal countries paid in the form of national industrial products, as well as to work to improve the quality of national industrial products, provide adequate information about them, see that they adhere to Saudi specifications, and stress the media's role in marketing national products.

With respect to the financial sector, the conference recommended a study of the means and methods whereby the commercial banks can provide medium- and long-term loans through a very precise method whereby loan recipients will give the bank statements as to their financial and economic position and how regular they are in their dealings with the banks and their repayment of their obligations. The conference also recommended that the possibility of cooperation between government loan organizations and commercial banks be studied, in order to lay the groundwork for those banks to participate in medium- and long-term financing. There should be ongoing meetings of businessmen, state financial sector officers, and commercial bank officials to investigate finance and loan problems.

With regard to the agricultural sector, the conference recommended that in order to aid the private agricultural sector's progress, that sector should be given greater freedom to express its opinions about the problems it faces and the solutions needed, through agricultural committees subordinate to the chambers of commerce and industry. Agricultural subsidies should be continued, and adjusted to suit each stage of that sector's development from the standpoint of quality, quantity and how important the agricultural or animal produce is, as long as such adjustments are made gradually.

The conference also recommended that procedures for loans from the Agricultural Bank for farmers be re-evaluated so as to make them more effective and adequate, by re-examining their terms, their amounts, and how they are paid to the farmers. The scope of customs tariffs on imported agricultural produce should be expanded horizontally and vertically, since the government agencies involved have become convinced that the exporting countries have been flooding the market. The conference also recommended that precise information on water resources be collected, and that policies to guide these resources' utilization be drawn up. The export of agricultural and animal produce outside the Kingdom should be subsidized and assisted, to provide opportunities for competition in foreign markets.

In the commercial field, the conference supported the state's efforts to combat the phenomenon of "cover" [tasattur], and stressed the importance of making businessmen aware of the dangers of this practice.

The conference suggested that the commercial note system be applied in such a way as to guarantee the payment of obligations, in order to reinforce confidence in commercial transactions. The conference emphasized that the dialog with the Ministry of Trade over improving commercial relations must continue, so as to guarantee more efficient implementation of those bylaws and regulations which have been issued.

With respect to the role of the chambers of commerce and industry, the conference stressed that the national committees play an important part in seeking out private sector problems and discussing them with state officials. It recommended that the chambers provide the Saudi businessman more domestic marketing and foreign trade services by improving their local services and strengthening their communications network with the outside world. It also

recommended that the chambers of commerce be made more efficient and effective in their economic activity by stepping up the administrative training and development plans run by the Council of Chambers of Commerce. An effort should be made to direct the private sector towards development by encouraging the establishment of consortiums. It also recommended that the necessary interaction between the businessmen and the society be achieved by having the chambers help promote cultural and social development in those regions where they have offices.

8559

CSO: 4404/369

AFGHANISTAN

FAMINE REPORTEDLY THREATENS WAR-TORN COUNTRY

Buching THE BORNEO POST in English 16 May 85 p 13

[Text] While the world's attention is focused on the famine in Ethiopia and the African Sahel, there are signs that food shortages are threatening another hardpressed region of the Third World.

In Afghanistan, up to half a million people are in danger as a result of drought and the disruption caused by five years of war.

Dr Claude Malhuret, director of the French Humanitarian organisation Medecins sans Frontieres, has warned that "several areas of Afghanistan are now in the initial stages of famine, and all the indications are that the situation will get worse.

Malhuret was speaking on behalf of five French aid organisations which have called for urgent international action to help save the Afghan rural population from starvation.

According to Medecins sans Frontieres, many of whose doctors have worked in Afghanistan, the worst affected areas are in the west, the northeast and the provinces around Kabul, Jalalabad and Khost.

With food production already declining because of the war, these regions suffered a prolonged drought during the growing season last year.

Afghanistan's rugged and often arid terrain makes it vulnerable to drought and its agricultural economy has always been precarious.

In 1970-71 several thousand people perished in a famine in the Hazarajat region.

Malhuret's warning confirms the findings of a study prepared last year by Dr Frances d'Souza, research director at the International Disaster Institute in London.

Her report examined the situation in 10 of Afghanistan's provinces and concluded that "classic indicators" of pre-famine conditions were already present.

Not only had food production fallen drastically, but the cost of transporting what supplies there were had risen to prohibitively high levels.

As a result, the price of basic foodstuffs had soared, while cash crops had almost disappeared: production of cotton, the main cash crop, had dropped to 12 per cent of the 1978 figure.

The consequences in the countryside were clear: many children were seriously undernourished, and panicky farmers were selling off their animals at low prices to buy grain.

One effect of the crisis is likely to be a quickening of the flow of refugees into neighbouring countries.

To escape the fighting between the Mujahiden guerillas and Soviet and Afghan government forces, nearly three million people have already taken refuge in Pakistan, while another million are reported to be in Iran.

Hundreds of thousands more have become internal refugees, fleeing into Kabul and other cities. Hunger will now add to their numbers.

For the Soviet-backed regime in Kabul, this exodus from the countryside has its advantages.

In the depopulated areas, the Mujaheden are deprived of support in the form of food, shelter and information, while the tribesmen and peasants who move into the towns are more easily controlled than in their scattered villages.

In the early years of the Soviet intervention, the Kabul authorities brought up huge quantities of grain at high prices in the northern provinces, emptying the countryside of its reserves.

They are now importing large amounts from the Soviet Union--some 240,000 tonnes in 1984--and it is easy to restrict its distribution to those people who agree to support the Afghan regime.

Meanwhile, the direct damage caused to the rural economy by the war is immense, according to reports from the Afghan interior.

When a village is caught up in the fighting, its livestock is usually killed wholesale, its stores of grain are carried off or destroyed and the standing crops burned.

Most importantly, the elaborate and centuries old irrigation systems are often disrupted or destroyed.

To repair the karez, or underground water channels, and the jouis, the open canals which carry water from nearby streams, requires enormous effort for which the village's depleted manpower is often inadequate, and the inhabitants have no choice but to leave in search of food elsewhere.

"It is really quite easy for the Russians to disrupt the process of production," according to Mohammed Ishaq, deputy commander of the guerillas in the Panjsher Valley, who visited London recently.

"They bomb the earthen dams at the height of summer. By the time the farmers have rebuilt them, a whole area's crops are lost and all its fruit trees are dead."

The dislocation of rural life also has long-term social implications. The Afghan village is traditionally a self-contained and largely autonomous community.

Each villager has his plot of land, however small, and its possession, together with the intricate rights and obligations that go with it, is what ensures his status as a full member of the community.

His land, his place within the tribe or clan, and the honour of his womenfolk are the three dimensions which give the Afghan his identity as an individual.

When deprived of them, in a refugee camp or as an uprooted migrant to the cities, his identity and dignity are destroyed.

Afghan refugees in Pakistan have already benefited from substantial international aid over the past five years, as well as from the Pakistan government's generosity to fellow Moslems.

Aid organisations and relief agencies say that the need now is to recognise the urgency of the situation inside Afghanistan and to take action before it is too late.

Unless large amounts of food aid get through soon, the threat of famine will quickly turn into reality.

CSO: 4600/475

INDIA

PRESS REPORTAGE, COMMENT ON RAJIV VISIT TO SOVIET UNION

21 May Remarks, Activities

Bombay THE TIMES OF INDIA in English 22 May 85 p 1

[Text] Moscow, May 21 (PTI)--Reiterating India's opposition to any outside intervention and interference anywhere, the Prime Minister, Mr Rajiv Gandhi, tonight said he was greatly concerned at the increasing militarisation across the Indian border and the entire Indian ocean.

World face and regional tranquillity were closely intertwined. Regional conflicts could turn global with surprising speed, he said, replying to the banquet speech of the Soviet leader, Mr Mikhail Gorbachov.

He told the Soviet leadership that India had initiated discussions with its neighbours to improve the total environment of regional peace and co-operation.

"We desire South Asian Regional Co-operation (SARC) to make a contribution to better mutually beneficial relations among the countries of the region."

The Prime Minister referred to tensions in other regions of the world about which, he said, "we must all be greatly concerned."

The tensions he listed were the continued denial of the legitimate rights of Palestinians, the blatant practice of apartheid and aggression in South Africa against African people and the denial of the rights of the Namibians. "The prism of geography may colour our people differently, but in the white light, we are one humanity. It is to the service of that humanity that Indo-Soviet friendship is dedicated."

Amid cheers the Prime Minister in measured tone said India was glad that the Soviet Union has responded promptly and positively to the appeal made through the Delhi declaration of heads of state and government of six nations from five continents.

"We have welcomed the various initiatives that you have personally taken. We sincerely wish success to your efforts. We welcome the resumption of the Soviet-USA negotiations on disarmament in Geneva and declaration by both nations of their resolve to work for the complete elimination of nuclear weapons."

Friendship Assured

The appeal reiterated through the Delhi declaration was first made by the non-aligned summit which met under the chairpersonship of Mrs Indira Gandhi in Delhi in 1983. It called for ban on the use of or threat of use of nuclear weapons, suspension of all weapons tests and seek a comprehensive weapon test ban treaty.

Mr Gandhi said in this nuclear age peace was the basic yearning of all peoples of the world. Yet, at no time in history had the danger to peace been great. This danger came from the very weapons that have been developed in the name of security. Stockpiles were growing. "It is a good sign that there is repeated public expression of the desire to reduce and eliminate nuclear weapons.

Reassuring the hosts that friendship and co-operation with the Soviet Union were an integral element of Indian foreign policy the Prime Minister said "our people regard the Soviet people as friends who have stood by them in times of need.

"The splendid record of Indo-Soviet relations owes much to the exertions of the leaders of both our countries over the last three decades. I am here to continue the tradition set for us by Jawaharlal Nehru and practiced by successive governments in India of sharing assessments and perceptions so that our two countries can work together for a better world. The treaty of peace, friendship and co-operation of 1971 reflects our high regard for each other and has served the cause of peace."

While noting that people of both India and the Soviet Union were committed to peace because "all our hopes for a better life hinge on it," Mr Gandhi said, "we are committed to socialism and an equitable social order." He said India shall continue along the path of national development charted by Nehru and Indira Gandhi of building self-reliant strength.

The overwhelming part of the endeavor has been our own people's. But friends have certainly helped. We deeply appreciate the substantial and principled support which Soviet Union has given to our economic development. We look forward to a rapid enlargement of this co-operation."

Mr Gandhi said the scope for economic scientific and cultural co-operation is immense. The Soviet and Indian cosmonauts who went into space have been heralds of a new era in our peoples' working together.

UNI adds: The Prime Minister, Mr Rajiv Gandhi, was given a warm welcome when he arrived on Tuesday on his first official visit abroad since assuming office.

Tens of thousands of Muscovites lining the flag-bedecked route from Sheremetieva airport to the Kremlin cheered Mr Gandhi as his motorcade passed by.

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The communist party general secretary, Mr Mikhail Gorbachov and his wife, Raisa Gorbacheva, received Mr Gandhi and Mrs Sonia Gandhi at the Kremlin at 1.15 p.m. Moscow time (1545 hours IST).

As soon as Mr Gandhi came out of his car, Mr Gorbachov, who had been waiting for his arrival, moved forward to greet him. Welcoming Mr Gandhi, he said, "hope your visit will be successful."

The Prime Minister, Mr Nikolai Tikhonov, the foreign minister, Mr Andrei Gromyko, defence minister Mr S. Sokolov, the cultural minister, Mr P. Demichev and the first deputy Prime Minister, Mr Ivan Arkhinov, and Mrs Gromyko were present at the welcoming ceremony in the Kremlin.

The flags of India and the Soviet Union were hoisted at the Kremlin residence, where Mr Gandhi and his wife will be staying during his Moscow visit.

Earlier, Mr Gandhi was received at the airport by Mr Tikhonov, Mr Demichev and Mr Sokolov.

From the Indian side, ambassador Nerul Hasan and members of the Indian community living in Moscow were present to greet Mr Gandhi.

Indian and Soviet flags fluttered at the airport, where troops of the Moscow garrison presented a guard of honour to Mr Gandhi. Mr Gandhi reviewed the guard and the national anthems of the two countries were played.

Meanwhile, a draft protocol has been drawn up to develop co-operation between India and the Soviet Union in the field of sports, according to the official Soviet news agency, Tass.

Provisions have been made for joint competitions and training in football, freestyle wrestling, volleyball, chess, boxing and sports, deputy chairman of the Soviet sports committee, Mr Vyacheslav Gavrilin, told Tass.

New Phase in Relations

Madras THE HINDU in English 22 May 85 p 1

[Article by N. Ram]

[Text] Moscow, May 21--After a phase of relative lull in top-level meetings and exchange of views between the two countries, Indo-Soviet relations moved into what could be an important new phase of active development.

It is certainly significant that the first official visit by the Prime Minister, Mr Rajiv Gandhi, since he took over the reins of Government in late 1984, has been to the country which he has repeatedly identified as the friend who has consistently "stood by" India in "times of need."

The significance of this being the young Indian Prime Minister's first official visit abroad was highlighted by the top Soviet leader, Mr Mikhail Gorbachev, as demonstrating a very close relationship that has stood the test of time. It was also made clear during the opening round of the talks that an early Gorbachev return visit to India is a matter of mutual priority--that will express the higher profile assumed by the Indo-Soviet relationship during this period.

Convergence of Interests

At one level, it is a visit meant to underline the continuity and strategic importance of the closeness between two countries following quite different economic and political paths, but seeing a strong convergence of fundamental interests established over three decades. At another level, both sides have quickly identified scope for moving the economic and trade relationship into new areas and emphases--including an emphasis on energy sector and defence requirements--that could be important for the future.

The opening round of talks which began some three hours after Mr Rajiv Gandhi walked briskly down the ramp of an Air India 707 to a colourful ceremonial welcome at Moscow's Sheremetiavo-1 airport, made this much immediately manifest: both sides are committed to raising bilateral economic and trade relations to a new level of expansion and a more purposive stage of cooperation. This will certainly get a major boost from Soviet concessional credit to the extent of one billion roubles that will be tied up during this visit and from the economic agreements that will be concluded on a long term basis and cover specific projects in the power, coal, oil and machine building sectors that India has identified as a priority.

Big Push for Economic Ties

"The Prime Minister's visit will certainly give a big push to our bilateral economic relationship." It is a landmark in this relationship, the Finance Minister, Mr V.P. Singh told THE HINDU in an on-flight interview shortly before landing.

"We've always had very positive signals from the Soviet Union," he added. "There are no problems or hurdles to be overcome here."

Mr Singh, who represents broadly the economic side of the visit, is returning to India after the first day since by then his basic function in this delegation will be concluded and he has pressing matters concerning his portfolio to attend to at home.

From the Indian standpoint, aside from the major substantive economic, technological and trade benefits that will come from this visit, there will be high interest attached to the kind of qualitative stamp, authority and style that 54-year-old Mr Mikhail Gorbachev is imparting to Soviet policies. These policies will have an obvious bearing on a vital and highly complicated stage of development of international relations--and on the shape of the region of which India is the dominant part.

He is clearly a new kind of Soviet leader--to go by journalistic first impressions gathered in the elegant Saint Catherine Hall of the Kremlin today. The qualities of enormous self-assurance, educated urbanity sitting easily on ideological, political and physical toughness, liveliness and energy came to the fore as the Soviet leader attempted to establish the kind of equation and personal rapport with an Indian head of Government that has not been found possible since the prime days of Leonid Brezhnev who had a major role in moving the bilateral relationship forward.

In the talks--and this was reconfirmed in the banquet speech--Mr Gorbachev moved authoritatively through the strength of the Indo-Soviet political and economic relationship, assured India that he fully appreciates its apprehensions and concerns over the South Asian regional situation and particularly over Pakistan's course, and renewed the idea that there should be "an overall comprehensive approach to the problem of security in Asia" that would involve "possibly...joining the efforts of Asian States in this direction."

Another feature of the official round of talks was that despite the presence of other senior leaders of the Kremlin--the 20th century's great Foreign Minister, Mr Andrei Gromyko, the Prime Minister, Mr Nikholai Tikhonov, the Defence Minister, Marshal Sokholov, Mr I.V. Arkhipov and others--Mr Gorbachev did virtually all the talking from the Soviet side.

Satisfying Day

And for the Indian Prime Minister who made his points about the direction of the nation's foreign policy eloquently in the banquet speech and apparently got on very well indeed with the Soviet leader who has been in top office for hardly seven weeks it was a very satisfying opening day of the visit.

Credit Offer, 22 May Activities

Bombay THE TIMES OF INDIA in English 23 May 85 p 1

[Article by Subhash Chakravarti]

[Text] Moscow, May 22--The Soviet Union has agreed to offer India credit worth one billion roubles (Rs 1,100 crores) to bolster bilateral economic co-operation. This was the highlight of a major agreement signed today under the glittering chandeliers of Kremlin's famous Valdimir Hall between the Soviet leader, Mr Mikhail Gorbachov, and the Prime Minister, Mr Rajiv Gandhi.

The agreement provides for greater Soviet co-operation in key sectors of the Indian economy like steel, power, drilling for oil and mining.

If Mr Gandhi's visit to Moscow was meant to reiterate the continuing high level of relationship, then it can be said to have succeeded. All the members of the politburo of the Soviet Communist Party were at the signing

ceremony to celebrate the occasion. Mr Gorbachov's serious campaign against the consumption of spirit was evident at the signing ceremony which, unlike in the past, was followed by a generous servings of fruit juice, instead of the traditional vodka and champagne.

Technical Cooperation

The terms of the credit agreement are flexible and the repayment for the principal and payment of interest will be in Indian rupees in line with all past credits. The repayment will be utilised by the Soviet side for purchase of Indian goods in accordance with the Indo-Soviet trade agreement in force from time to time.

The second agreement signed pertains to the main direction of economic, trade and scientific and technical co-operation between India and the Soviet Union for the period up to 2000.

The two countries have taken note of the evolving pattern of development of technology and capability on both sides, and shall develop new forms of economic co-operation and trade on the basis of mutual benefit. They will also take into account the complementarities of their economies.

The main economic sectors covered by the agreement will be power, petroleum, the coal industry, ferrous and non-ferrous metallurgy, machine building, and co-operation in science and technology.

The agreement provides for participation of Indian organisations in civil and industrial projects in the Soviet Union in a form and manner which will be mutually agreed upon in specific cases.

The two sides will also consider co-operation in construction of industrial and other projects in Third World countries. India and the Soviet Union will take measures for the dynamic and steady growth of mutual trade in accordance with the rupee trade aid and payment arrangements on a long-term basis.

In the power sector, the credit will relate to the Kahalgaon thermal power plant in Bihar of 840 MW planned capacity (4 units of 210 MW each). The Soviet participation in the project will be similar to that in the Vindhya-chal thermal power station presently under construction.

In the coal sector, the credit will relate to an open cast mine in the Jharia coalfield with washeries, the Moher and Khadia open cast mine in the Singrauli coalfields and the Sitanala underground colliery in the Jharia coalfields with washeries. It will also include the establishment of an institute for designing coal washeries, plants and facilities for detailed designing of coal projects, as well as the modernisation of the Patherdih washery.

In the petroleum sector, the Soviet Union will co-operate by taking on a project for integrated exploration of hydrocarbons in on-shore areas, also, providing equipment and specialists' services.

In the ferrous and machine building sectors the credit relates to Soviet participation in India's plans for modernisation and reconstruction as required.

PTI & UNI add: The two leaders were half an hour late for the signing ceremony as they apparently were so engrossed in their private talk that they forgot to look at their watches.

Mr Gandhi arrived two minutes earlier, stood behind his chair and waited for Mr Gorbachov to arrive with the politburo and crossed over to the other end of the table for his chair. Before taking their seats, Mr Gorbachov walked up to Mr Gandhi to shake hands.

After the signing, Mr Gorbachov shook hands with Mr Gandhi as well as some members of the Indian delegation telling each of them, "Pozdravlyayu" (I congratulate you).

Mr Gandhi likewise congratulated several members of the politburo.

Earlier, Mr Rajiv Gandhi held talks for over three and a half hours in private with Mr Mikhail Gorbachov, on bilateral, international and other issues.

Mr Gorbachov sprang a surprise by calling at Mr Gandhi's Kremlin apartment ten minutes before the appointment, and suggesting they walk together to his office.

As they strolled across the Kremlin lawns, Mr Gorbachov plucked some tulips and lilacs and presented them to Mr Gandhi.

The general secretary assured the Prime Minister, "This is not in the protocol books but you and I can take care of the protocol boys."

Later speaking at a press conference Mr Rajiv Gandhi expressed serious concern about Pakistan being close to developing nuclear weapon and said the United States was not doing much to stop the programme.

India felt that United States was turning a "blind eye" to Pakistan developing a nuclear device. "We feel this is extremely serious," he added.

The Prime Minister made an opening statement in which he spoke about the cordial and growing relations between India and the Soviet Union.

He said, "Our friendship is not aimed against anyone. It is for the development of our country. We look forward to greater bilateral cooperation."

He also spoke of the concern of the two countries to the growing nuclear threat and their endeavours to eliminate this, promote peace and lessen areas of tension.

He expressed happiness that the Soviet Union readily supported the Delhi declaration on nuclear disarmament.

Mr Gandhi answered questions on a number of subjects like his forthcoming U.S. visit, Asian security, the escalating arms race and his discussions with Soviet Communist party general secretary Mr Mikhail Gorbachov.

Old Concept

About Asian security, he said this was an "old concept." "We are really for nations not interfering or intervening in areas outside their own. India has put forward a proposal for the Indian Ocean being a nuclear free zone."

Similarly, he said other Asian nations had their own proposals. "We do not want Asia to become a hotbed of tension, and ships prowling in our areas and shores."

Another American correspondent asked if in view of his expectation of aid from the United States in high technology and trade he would show some 'enthusiasm' for American foreign policy. Mr Gandhi said "We do not compromise our position in return for anything."

Mr Gandhi confirmed that his Washington visit came up in his discussions with Mr Gorbachov but said he was not carrying any message from the Soviet leader to the American president.

"Our position," he said, "is that we are not for any country to interfere or intervene in the internal affairs of another country."

He said Mr Gorbachov had given him an idea of Pakistan's interference in Afghanistan and of the magnitude of assistance to the insurgents.

On India's relations with the U.S., Mr Gandhi said they had been good. India was looking to the U.S. for greater technical, cultural and trade ties.

He said he was looking forward to meeting President Ronald Reagan next month and developing a relationship with him as he had personally met him "only for a short while" earlier.

Meanwhile, the Soviet leader, Mr Gorbachov has accepted an invitation from Mr Gandhi to visit India.

Indira's Policy Retained

New Delhi PATRIOT in English 24 May 85 p 1

[Article by Sitanshu Das]

[Text]

The message from Moscow is loud and clear. The grand design to swerve him from Indira Gandhi's policy of assertive independence has been frustrated. That is the only conclusion possible of the press conference the Prime Minister addressed in Moscow after his meeting with Soviet leader Mikhail Gorbachyov.

Vital as is the long-term economic cooperation agreement (entailing the pledge of Soviet credit of one billion roubles), of much greater significance is the measure of wider understanding the new leaders of India and the USSR seem to have reached at their first official meeting. The answers the Prime Minister offered at the end of the summit conference were reflective of that understanding. The 15-year-long Indo-Soviet economic cooperation and trade agreement is important. But what is of greater import is the feeling that India-USSR friendship has been renewed and divested of some misapprehensions which had been created after Indira Gandhi's assassination.

India's strategic defence must have figured as a subject of the Moscow discussion. It is most unlikely that the Prime Minister would have been as forthright as he was in expressing his anxiety over the US backing to Punjab extremists and inadequate American discouragement to the Pak plans for military nuclear capability had he not discussed these threats with the Soviet leader. His reply on this question was extraordinarily pointed and he made no effort to conceal his criticism in diplomatic circumlocution.

He was asked if he would raise with President Reagan the question of US backing to Punjab extremists. He said he would: he made no effort to qualify the questioner's imputation that American support had been available to Punjab extremist elements.

Equally frank was his criticism of America's complaisance towards General Zia's plans for atomic weapons—the solitary exemption

from the Symington amendment contrived for Islamabad and the soft punishment awarded to the Pakistani held in America for smuggling out the nuclear trigger mechanism. The imminence of his own planned meeting with President Reagan did not moderate the expression he gave to his unhappiness.

High Tech was no longer the anodyne explanation of the compromises which were being pressed on the Prime Minister. One western journalist asked how he hoped to secure from America high technology when his Soviet hosts had little hope of getting this. Mr Rajiv Gandhi's bland answer was that he saw no problem in that field.

Having recently signed a Memorandum of Understanding with the Americans in Delhi and seen its restrictive small print conditionality, the Prime Minister had clearly come to a realistic conclusion about what India might hope to secure from US technology in the foreseeable future.

Uncomfortable questions deftly fielded to draw him out on the Soviet ideas about Asia's collective security and why he had chosen the Soviet Union as the first foreign country to visit as Prime Minister were tackled with matching professionalism and good humour.

No talking point could be discovered by critics of India's Soviet policy when he disarmed them by saying that India and the USSR took each other into confidence while they negotiated with China over their respective differences.

Even Indian socialism was not left out of the Moscow press conference. Much to the discomfort of those who do not want him to talk too much about socialism, the Prime Minister spoke of the national commitment to socialism and the commanding heights of the public sector in the Indian economy.

All in all, Mr Rajiv Gandhi's pronouncements in Moscow have cleared many misgivings and taken India back where Indira Gandhi had left off.

Report on Frunze Press Conference

Bombay THE TIMES OF INDIA in English 26 May 85 p 1

[Article by Subhash Chakravarti]

[Text] Frunze (Kirghizia), May 25--The Prime Minister, Mr Rajiv Gandhi, said here today that during his talks with Soviet leaders he found a great deal of common factors relevant to economic development of the two countries. "Surprisingly, what Mr Gorbachov is trying to do is not different from what we are trying to do in India," he said.

Mr Gandhi, who was giving an assessment of his talks with Mr Gorbachov in an informal talk with newsmen, said the Soviet leadership was keen on inducting advanced technology, re-orienting its labour force and getting into a new production pattern.

Mr Gandhi, who spent nearly eight hours talking to Mr Gorbachov in two sessions, thought the new head in Kremlin was very straightforward and friendly. He stated the visit had gone off extremely well and relations would be further strengthened. He was happy to note that some new tangible content had been added to the relationship and decisions would soon be taken to follow it up.

The Prime Minister dealt with a wide range of questions in a relaxed mood on the last leg of his journey in this beautiful capital of Kirghizia, which is only 50 km from the Chinese province of Sinkiang.

He gave the impression that the Soviet leadership was very concerned about the increasing involvement of Pakistan in the affairs of Afghanistan. The Soviet Union, he continued, was particularly upset about the death of certain Soviet people in what was described by Pakistan as an explosion. In fact, the Soviet communist party newspaper "Pravda," in an editorial went to the extent of warning Pakistan that it could not go about doing these provocative things without facing the consequences.

Mr Gandhi said arms were being supplied to the Afghan training camps in Pakistan, obviously from the United States. The Prime Minister reiterated that India was also concerned about arms build-up and nuclear development in Pakistan. Mr Gandhi explained that India could match Pakistan's arms build-up, but it would only mean frittering away resources at the cost of development.

Mr Gandhi was particularly concerned about Pakistan getting close to making the nuclear bomb. In reply to a question, he said the Soviet Union did not give him any assessment about Pakistan's nuclear programme. He admitted there were some problems about entering into a new collaboration with the Soviet Union on establishing nuclear power plants in India. He explained that any nuclear plant be supplied by the Soviet Union would bring it under safeguards obligations. "We do not know what it means and that is why it is taking time. We do not want to repeat the experience of Tarapur."

Foreign Arms

Mr Gandhi said he did not get an idea about how soon a meeting between Mr Gorbachov and President would take place. He added, however, that the talks on disarmament had suffered on account of America's "star wars" programme.

The Prime Minister said the Soviet leadership heard from him about the domestic situation in India, but did not make any comment on its own on any particular situation as in Punjab. When asked if there was a foreign hand involved in Punjab, Mr Gandhi smilingly remarked: "It is now opposition members like Mr Kushwant Singh talking about such involvement."

In reply to another question, Mr Gandhi said a final decision about purchasing the latest Soviet-built combat planes was yet to be taken.

PTI adds: Mr Gandhi said there had been no discussion with the Soviets on the Asian security conference beyond what Mr Gorbachov had said at the banquet.

At his private talks with the general secretary, the subjects covered included disarmament, the Indian Ocean and the region and countries which have specified problems. Mr Gandhi added he had been given no message to be conveyed to President Reagan whom he is meeting next month.

According to the All India Radio (AIR) correspondent's despatch, Mr Gandhi said both India and the Soviet Union wanted to normalise relations with China.

He said the Soviet Union had been having talks with China and India was also likely to have a dialogue with China soon.

Text of Communique

Madras THE HINDU in English 27 May 85 p 1

[Text] New Delhi, May 26--The following is the joint Indo-Soviet statement at the conclusion of the Prime Minister, Mr Rajiv Gandhi's six-day visit to the Soviet Union.

At the invitation of the leadership of the Soviet Union the Prime Minister of the Republic of India, H.E. Mr Rajiv Gandhi, paid an official friendly visit to the Soviet Union from May 21 to 26, 1985.

The distinguished Indian guest and the persons accompanying him were accorded a cordial welcome, reflecting the relations of traditional friendship and mutual respect between India and the USSR.

Talks were held between the Prime Minister of the Republic of India, Mr Rajiv Gandhi and the General Secretary of the CPSU Central Committee Mr Mikhail S. Gorbachev, in which the participants were:

From the Indian side: The Minister of Finance, Mr V.P. Singh, Chairman of the Policy Planning Committee of the Ministry of External Affairs, Mr G. Parthasarathi, Ambassador of India to the USSR, Mr S. Nurul Hasan, Minister of State for Power, Mr Arun Nehru, Parliamentary Secretary of the Prime Minister, Mr Arun Singh, Parliamentary Secretary to the Prime Minister, Mr O. Fernandes.

From the Soviet side: Member of the Politburo of the Central Committee of the CPSU and Chairman of the Council of Ministers of the USSR, Mr Nikolai A. Tikhonov, Member of the Politburo of the Central Committee of the CPSU, First Deputy Chairman of the Council of Ministers of the USSR and Minister of Foreign Affairs of the USSR, Mr Andrei A. Gromyko, Alternate Member of the Politburo of the Central Committee of the CPSU, Minister of Defence of the USSR, Marshal of the Soviet Union, Sergei L. Sokolov, First Deputy Chairman of the USSR, Council of Ministers, Mr I.V. Arkhipov.

Detailed Discussion: The Prime Minister of the Republic of India, Mr Rajiv Gandhi had, in addition, a detailed discussion with the General Secretary of the Central Committee of the CPSU, Mr Mikhail S. Gorbachev, which was conducted in a warm and friendly atmosphere.

While visiting Moscow, Minsk and Frunze, the guests acquainted themselves with various aspects of the Soviet people's life and achievements in the economic, scientific and cultural fields.

Deep Satisfaction

The meetings and discussions were held in an atmosphere of friendship and mutual understanding. Both sides expressed deep satisfaction at the successful development of relations of close friendship and multi-faceted cooperation between India and the Soviet Union. These relations are characterised by respect and trust between the peoples and leaders of the two States. They are notable for their stability in the political field and for the wide scope and diversity of their mutually beneficial cooperation in commercial, economic, scientific, technological, cultural and other areas. Their steady growth is an important achievement on the part of both countries.

Peace factor: The two sides believe that relations between India and the USSR demonstrate the fruitful character of ties between States with different socio-economic systems, if they are committed to the principles of peaceful coexistence, equality and mutual respect, strict observance sovereignty and non-interference in the internal affairs of each other. The friendship and cooperation between India and the USSR constitute a factor of peace and stability in Asia and the world.

Both India and the Soviet Union are of the view that the treaty of peace, friendship and cooperation between India and the USSR promotes the development of the traditional friendship between the countries and truly reflects their commitment to world peace and detente.

Both sides highly evaluate Indo-Soviet economic, commercial, scientific and technological cooperation which is developing dynamically on a planned basis and is being constantly enriched with the new form and content.

Considerable expansion: The two sides note with satisfaction the considerable expansion of economic cooperation between them and express confidence that the agreement on basic directions of economic trade, scientific and technological cooperation between India and the USSR for the period up to the year 2000 as well as the agreement on Indo-Soviet cooperation in the construction of a number of new major projects in India, signed on May 22, 1985, in Moscow, will contribute to further broadening and deepening ties between the two countries.

Both sides expressed satisfaction at the high rate of growth of trade between the two countries and reaffirmed their determination to maintain it in the future. At the same time, they expressed their mutual interest in seeking ways of further increasing the effectiveness of bilateral trade through broadbasing and diversification of supplies, and adoption of new forms of cooperation in accordance with the principles set out in the agreement on basic directions mentioned above.

Scientific cooperation: Both sides note the growing cooperation between them in the field of science and technology. The results of joint activity in this sphere promote scientific and technological progress in both countries and help in accomplishing the tasks facing their national economies. The successful joint Indo-Soviet space mission carried out in April 1984 is a vivid demonstration of the fruitful nature of this cooperation. Both sides note the importance of further developing their cooperation in the field of science and technology and of increasing its effectiveness.

Guidelines for Cooperation

The two sides positively assess the activities of the inter-governmental Indo-Soviet Commission on Economic, Scientific and Technical Cooperation and in particular, the results of its ninth session held recently in Moscow, which laid down specific guidelines for developing cooperation in various fields for the immediate future.

The two sides expressed readiness to continue developing and strengthening cooperation between them in the fields of culture, science, health, education, mass media, tourism and sports.

The Indian side highly evaluated the substantial contribution made by the Soviet Union to the strengthening of India's economic potential and acceleration of its scientific and technological progress. The Soviet side reaffirmed its readiness to continue to assist India in strengthening its self-reliance in the economic and other important fields.

Growing Tensions

The two sides exchanged views on a wide range of international issues of mutual interest and reaffirmed once again the coincidence or similarity in the positions of the two countries on major contemporary issues.

Both sides are concerned over the growing tensions in the international situation. The escalating arms race, particularly in nuclear weapons and other weapons of mass destruction, the growing dangers of its being extended to outer space, as well as the aggravation of crisis situations in various parts of the world call for resolute and persistent efforts on the part of States, regardless of their social systems, to strengthen international peace and security, to ensure that the threat of war is eliminated, policies of confrontation renounced and the path of negotiation pursued. Only such efforts can contribute to the achievement of detente, the resolution of existing problems and disputes, the elimination of hotbeds of tension and conflicts and the prevention of the emergence of new ones. The two sides are convinced that all states, large and small, have a role to play in the search for realistic solutions that would halt and reverse the arms race and reduce tensions in the world.

Paramount importance: India and the Soviet Union are firmly convinced that the prevention of nuclear war is of paramount importance in the world today. They consider as the most urgent tasks: the immediate cessation of the arms race, above all in nuclear weapons, and preventing the extension of this race into outer space and the vigorous pursuit of policies aimed at the total destruction and prohibition of nuclear weapons so that the threat of nuclear war is eliminated for all time. In the context of the initiatives taken by each side, they reiterated their willingness to cooperate fully with each other and with all States in achieving these goals.

Delhi Declaration

Both sides consider important in this context the Delhi declaration adopted in January this year by the heads of State or Government of Argentina, Greece, India, Mexico, Tanzania and Sweden which once again called for an all-embracing halt to the testing, production and deployment of nuclear weapons and their delivery systems, the prevention of an arms race in outer space and the conclusion of a comprehensive nuclear weapons test ban treaty. In this connection they noted that the proposals put forward by the Soviet Union for preventing the militarisation of outer space, terminating the nuclear arms race and ultimately for the complete elimination of nuclear weapons were directed towards objectives which are consonant with those set out in the Delhi declaration.

Geneva talks: India and the Soviet Union attach major importance to the Soviet-American negotiations in Geneva on a complex of questions concerning space and nuclear arms--strategic and intermediate range--to be considered and resolved in their interrelationship. The two sides are convinced that these negotiations, given a constructive and realistic approach by both

participating sides in accordance with the terms of the agreement reached, can lead to far-reaching solutions in the interests of peace and the security of all nations.

Special Responsibility

Both sides stressed the special responsibility of nuclear-weapon States to take urgent measures toward general and complete disarmament, especially nuclear disarmament. They reaffirmed their commitment to this goal and called for urgent practical steps aimed at halting and reversing the arms race. In this connection, the Soviet side supported the Indian proposal calling for the negotiation of a convention on the prohibition of the use of nuclear weapons, with the participation of all nuclear-weapon States in such a convention. The Indian side welcomed the Soviet Union's declaration not to be the first to use nuclear weapons. Both sides consider that the adoption of such an obligation by all nuclear-weapon States would be an important step towards the ban on the use or threat of use of nuclear weapons. The two sides stressed the importance of a freeze on nuclear weapons on a global basis beginning from a specific date and under appropriate verification. This should be followed by substantial reduction in nuclear arsenals.

Transfer of resources:

They supported the immediate suspension of all nuclear weapons tests and the speedy conclusion of a treaty on the complete and general prohibition of nuclear weapons tests. They called for an early prohibition and elimination of chemical weapons and for the prohibition of the development and production of new types of weapons of mass destruction. They also stressed the urgent necessity of transferring resources, currently directed to military expenditures, to meet the needs of social and economic development. A part of funds which will be released in the process of disarmament should be channelled towards rendering assistance to developing countries.

The two sides reaffirm the importance of developing peaceful, mutually advantageous cooperation among States, based on the principles of equality, mutual respect and non-interference in internal affairs whether at the bilateral, regional or global level. Being opposed to any infringement of the sovereign rights of all States and peoples to independent and peaceful existence as they desire, being opposed to any manifestation of imperialism, colonialism, neo-colonialism, domination or hegemony, they firmly uphold the principles of peaceful coexistence and equitable cooperation among States, the solution of disputes and the settlement of conflicts between States through negotiations and without resort to the use or threat of force.

Prerequisites for Peace

India and the Soviet Union believe that observance of these principles by all countries, and above all the cessation of military or any other type of outside interference in the affairs of sovereign States, the exercise of restraint and putting an end to foreign military presence in the first place the removal of foreign military bases, constitute important prerequisites for strengthening peace and stability in Asia as also in other regions of the world.

Aggressive Policies: The two sides express their concern at the persisting tensions in the Middle East (West Asia) as a result of Israel's aggressive and expansionist policies. They condemn the continuing occupation of Arab territories by Israel. They also condemn Israel's invasion of Lebanon and its practices and measures against the civilian population there. They call for the immediate and unconditional withdrawal of Israeli forces from Lebanon. The two sides emphasised the urgent need for a comprehensive, just and durable Middle East settlement on the basis of Israel's complete and unconditional withdrawal from all occupied Arab territories, the realisation by the Palestinian people, whose sole and legitimate representative is the Palestine Liberation Organisation, of their legitimate and inalienable national rights, including the right to establish their own State, as well as ensuring the right of all States in the region to secure and independent development. The two sides emphasise that the path to such a settlement lies through the collective efforts and participation of all the parties concerned, including the Palestine Liberation Organisation, on an equal footing. They strongly support the convening of an international peace conference on the Middle East under the auspices of the United Nations.

Gulf War

The two sides voice their regret and concern over the continuing war between Iran and Iraq and call for an immediate end to the war and peaceful settlement of the conflict. The Soviet Union supports the efforts of India as the Chairman of the Non-Aligned Movement towards seeking mutually acceptable measures to bring about a just and enduring settlement of the conflict through negotiations.

The two sides express serious concern over the continuation of the hotbeds of tension in South West Asia and reaffirm their conviction that the problems of the region demand peaceful political solutions paying full respect to the independence, sovereignty, territorial integrity and non-aligned status of the countries of the region. They call upon the countries of the region to expeditiously terminate the armed conflicts, to exercise restraint and cooperate constructively for reducing tension and restoring peace. India and the Soviet Union reiterate their opposition to all forms of outside interference in the internal affairs of the countries of the region. They are confident that negotiated political solutions alone can guarantee a durable settlement of the existing problems of the region.

S.E. Asia: The two sides are concerned over the persisting tensions in South-East Asia. They believe that a solution to the problems to South-East Asia should be found by the States of the region themselves on the basis of full respect for the sovereignty, independence and territorial integrity of all the States of the region and without outside interference in their internal affairs. They support the desire of the States there to normalise the situation in the region and make it an area of lasting peace, stability good-neighbourliness and cooperation. They expressed the hope that this would also lead to eliminating the involvement and threat of intervention by outside powers.

Indian Ocean Meet

India and the Soviet Union express their concern at the further aggravation of the situation in the Indian Ocean and, in this connection, call for the dismantling of all foreign military bases in the area and the prevention of the creation of new ones. They also oppose any attempts to increase foreign military presence in the Indian Ocean. The two sides call for the early implementation of the United Nations declaration on the Indian Ocean as a zone of peace and support the decision of the United Nations General Assembly to convene, without delay, a conference on the Indian Ocean for this purpose. The Soviet Union firmly supports the desire of India and other Non-Aligned countries to bring this about.

The two sides believe that it is necessary to complete preparations during 1985 so that the conference could be held, as decided at the 39th session of the United Nations General Assembly, by the first half of 1986 at the latest. They reaffirm their support for the just demand of Mauritius concerning the restoration of its sovereignty over the Chagos Archipelago, including the island of Diego Garcia.

Apartheid: Both sides condemn the policy of apartheid practised by South Africa and demand an end to its illegal occupation of Namibia and the immediate and unconditional withdrawal of South African troops from that territory. They call for a full and prompt implementation of all relevant United Nations decisions on granting independence to Namibia, including Security Council Resolution 435 (1978). They condemn the recent decision by South Africa to instal an illegal "interim administration" in Windhoek. They reaffirm their support for SWAPO as the sole and authentic representative of the Namibian people. India and the Soviet Union also insist on an end to South Africa's acts of aggression and subversion against its neighbours and demand that South Africa scrupulously respect the sovereignty, independence and territorial integrity of these neighbouring States.

India and the Soviet Union are in favour of a just political settlement of the situation in the region of Central America and the Caribbean, especially around Nicaragua, on the basis of strict respect for the right of the peoples to freely choose the path of their development and non-interference in internal affairs. They call for the cessation of all forms of pressures and acts of aggression against the independent Non-Aligned countries situa-

ted there. Both sides support the constructive initiatives of these countries and the efforts of the Contadora group aimed at a settlement of the situation in that region.

Global economy: The two sides favor the restructuring of international economic relations on a just and democratic basis and the establishment of a new international economic order. The solution of this pressing task would serve the interests of all mankind. They condemn any manifestations of the policy of neo-colonialism, discrimination and methods of pressure of any kind in inter-State economic relations. Both sides favour the ensuring of fair and equitable prices for the exports of developing countries and the dismantling of artificial trade barriers.

India and the Soviet Union note with satisfaction the growing positive role of the Movement of Non-Aligned countries in the struggle for peace and the prevention of nuclear catastrophe, for disarmament and the relaxation of international tension, against imperialism, colonialism, neo-colonialism, racism and apartheid, as well as against all forms of aggression, interference, domination or hegemony in the political or economic fields and for the realisation of the new international economic order.

The Soviet Union values highly India's constructive contribution to the efforts to ensure international peace and security and towards developing equitable cooperation among States and strengthening the unity and enhancing the international stature of the Non-Aligned Movement.

The two sides note the historic significance the 40th anniversary of the great victory over the forces of fascism and militarism and call for observing this commemorative date in a befitting manner by adopting steps for putting an end to the arms race, for eliminating the threat of war and establishing a healthier international environment.

Both sides reiterate their abiding commitment to the United Nations, to preserving and strengthening this organisation as an effective instrument of peace, and to the purposes and principles enshrined in its charter. They believe that the commemoration of the 40th anniversary of the United Nations and the observance of the International Year of Peace can and should give an additional impetus to mobilising the efforts of the peoples and governments of the organisation's member-States aimed at removing the threat of nuclear war and strengthening international peace and security, as well as at establishing equitable economic relations among States and promoting its objectives in the social and humanitarian fields. The two sides are prepared to take necessary steps in order to ensure that the just and democratic principles on which the United Nations was founded 40 years ago become firmly rooted in the practice of international relations. They also noted the historic importance of the U.N. declaration on the granting of independence to colonial countries and peoples adopted 25 years ago and reaffirm their commitment to work for the total eradication of colonialism.

Indo-Soviet Ties: India and the Soviet Union attach great importance to the regular contacts between their leaders and regard these as an important means for strengthening the relations, friendship, mutual understanding and confidence between the two countries. The two sides note that Indo-Soviet dialogue at the highest level effectively promotes the development of relations of close friendship between India and the USSR and enhances the effectiveness of the efforts of the two countries for the preservation and consolidation of peace and security.

The two sides favour continuing and broadening the practice of regular consultations at appropriate levels on questions of bilateral relations and topical international issues of mutual interest.

The two sides expressed profound satisfaction at the result of the official friendly visit paid to the Soviet Union by the Prime Minister of India, Mr Rajiv Gandhi. The visit has further strengthened mutual trust between the leaders and the bonds of close friendship between the peoples of the two countries. The two sides are convinced that the visit will be a new and important step on the road of further development of relations of traditional friendship and many-sided cooperation between India and the USSR.

'Sincere gratitude': The Prime Minister of India, Mr Rajiv Gandhi, expressed sincere gratitude to the leaders and the people of the Soviet Union for the warm welcome accorded to him and his party. The Prime Minister extended invitations to the General Secretary of the CPSU Central Committee, Mr Mikhail S. Gorbachev, and to the Chairman of the USSR Council of Ministers, Mr Nikolai A. Tikhonov, to pay official visits to India. The invitations were accepted with gratitude.

Remarks on Return

Madras THE HINDU in English 27 May 85 p 1

[Article by G.K. Reddy]

[Text] New Delhi, May 26--The Prime Minister, Mr Rajiv Gandhi, who returned to Delhi today from what he described as a "very successful visit" to the Soviet Union, said that the agreements signed in Moscow covered a "wide spectrum" and would go a long way in helping both countries in their economic developments.

He seemed very satisfied with the "extremeley good talks" he had with the Soviet leader, Mr Mikhail Gorbachev, on both bilateral and international issues.

In a brief chat with pressmen at the airport, Mr Rajiv Gandhi disclosed for the first time publicly that there were some problems to be sorted out with the Soviet Union in regard to the nature of safeguards for the nuclear power plant that Moscow had offered to set up in India as part of its

economic cooperation. He explained that India was not asking for a safeguard-free plant, but it had to settle the nature and extent of these safeguards consistent with the country's policies and in consonance with the Soviet laws on the subject.

Meeting with Jayewardene: The Prime Minister was asked about the possibility of a summit meeting between him and the President of Sri Lanka, Mr J.R. Jayewardene, before he goes to Washington. He said there was "some talk" about it and he would be able to comment only after discussing the matter with the officials concerned, presumably referring to those who have been dealing with it during his absence.

Mr Rajiv Gandhi said he discussed with the Soviet leaders Pakistan's efforts to make a nuclear bomb on the basis of various reports he had from "numerous sources." But he did not give a direct reply to a question whether the Soviet leaders shared with him their own intelligence reports about Pakistan's nuclear programme.

Star Wars: The Prime Minister was quite outspoken in his criticism of the U.S. Star Wars programme which, he said, was not going to be helpful in the current efforts for halting the nuclear arms race. It was for this reason that many countries in the West were having second thoughts on the subject.

Mr Rajiv Gandhi said that he was not going to the U.S. with any message from Moscow on the Star Wars question. But he will certainly convey the Soviet views on different issues during his talks in Washington. In the course of any discussion on the international situation, the views of various powers do come up for consideration.

Asian security: The question of Asian security did figure during his talks with Mr Gorbachev, but nothing concrete emerged from it. The choice of his words indicated that it was only a concept at this stage and not a proposal as such for detailed discussion.

In a brief reference to the domestic situation, Mr Rajiv Gandhi reiterated his stand of firmness in dealing with terrorism, but flexibility in meeting the legitimate demands of the Sikhs for arriving at a lasting settlement of the Punjab problem within the framework of the Indian Constitution. He had been kept fully informed of the developments in the country during his absence, with daily briefs conveyed over the hotline, and he seemed to speak with full knowledge as he answered questions on domestic issues.

The Prime Minister was accorded a very warm welcome as he alighted from the aircraft that brought him from Frunze in Kirghizia in Soviet Central Asia to Delhi, overflying Afghanistan and Pakistan.

PTI reports:

"I am going to the United States with an Indian message," Mr Rajiv Gandhi quipped when asked if he was going to the U.S. with a message from Mr Gorbachev.

Asked whether he had conveyed to the Soviet leaders the concern of the non-aligned movement over the threat to peace, and the need to achieve nuclear disarmament, the Prime Minister replied in the affirmative and said, "Mr Gorbachev and others have a very positive attitude towards NAM. They feel the non-aligned movement is contributing to peace and helping the fight against imperialist forces."

Mr Gandhi said the two sides briefed each other about the talks each had with China. He brushed aside a question on speculations about Cabinet reshuffle by telling the correspondent "You have already done it so many times."

CSO: 4600/1655

INDIA

COMMUNIST EDITOR ON RAJIV VISIT TO MOSCOW

New Delhi PATRIOT in English 27 May 85 p 1

[Article by R.K. Mishra]

[Text]

The historic significance of Prime Minister Rajiv Gandhi's visit to the Soviet Union will reveal itself in all its dimensions in the years that lie ahead. In fact, the impact of the first interaction between the new leaders of the two countries, in the early phase of their stewardship of India and the USSR, will be felt with increasing force during the decades that will take us into the next century. The depth of sincerity and warmth, which have entered in the personal relationship of Rajiv Gandhi and CPSU General Secretary Mikhail Gorbachyov, will make an outstanding contribution in raising Indo-Soviet ties to a qualitatively higher level. Immediate achievements of the visit are, no doubt, considerable and there for every one to see. Of great importance, however, is the strong foundation that has been laid for the contribution the two leaders can make by their common endeavour for the solution of the most urgent problems facing mankind in our troubled times.

The similarity in the style of Mikhail Gorbachyov and Rajiv Gandhi is striking. Both speak with precision and purposefulness; both reject equivocation or ambiguity as tools of diplomatic intercourse, both are committed to an unflinching fight for peace on this planet and to pool their efforts against wasteful diversion of humankind's precious resources in destructive channels. The CPSU General Secretary and the Prime Minister of India accord a high priority to raising technological levels and the level of efficiency; both are concerned with removing the bottlenecks which impede injection of greater speed in economic advancement within the framework of their countries' respective social systems and both are engaged in finding ways of bringing about further reforms to accelerate the pace of progress.

Rajiv Gandhi and Mikhail Gorbachyov were able to establish an immediate rapport because they shared a common perception of problems facing mankind and displayed during their talks a deep understanding of each other's concerns on almost all matters. The joint statement underlines "coincidence or similarity" of views on all important international issues. Whether questions pertained to Asia or Europe, whether issues related to Africa or America, the two leaders found their responses identical or complementary. On problems they face in South Asia or South West Asia, on their attitude towards China and in respect of issues pertaining to other regions, Rajiv Gandhi and Mikhail Gorbachyov showed an appreciation of each other's position which is rare in international relations today.

From the very outset of the Prime Minister's visit, the Soviet side put considerations of protocol aside. And extraordinary cordiality permeated the atmosphere all along his stay in the USSR. The presence of almost the entire politbureau on various occasions, including the signing ceremony, was yet

another eloquent demonstration of the importance the Soviet leadership attached to the talks with Rajiv Gandhi and its outcome. That Gorbachyov set apart eight hours for a comprehensive exchange of views with Rajiv Gandhi — three and half hours of it without aides — underlines the great importance the Soviet leader gave to the talks. The large turnout of men, women and children, who extended to the Prime Minister of our country a spontaneous and tumultuous ovation, was indicative of the affection and regard which the Soviet people and their leaders entertain for India and her leader. Mrs Raisa Maximovna Gorbachyov and Mrs Sonia Gandhi lent intimacy to this relationship at a personal level. All these gestures of heartwarming closeness and cordiality add to the rapport the two leaders have established. The delicate plant of time-tested friendship between India and the Soviet Union, planted by Jawaharlal Nehru and nurtured by Indira Gandhi, has now blossomed fully and exudes a new fragrance.

All Indians, who have followed closely his sojourn in the USSR, feel a genuine sense of pride the way Rajiv Gandhi acquitted himself during his debut in the international arena as Prime Minister. He displayed remarkable confidence and poise. He conducted himself with great dignity, showed sensitivity in his responses; incisiveness in his presentations and alertness in his replies to questions. Rajiv Gandhi and members of the Indian delegation have returned with great appreciation for Mikhail Gorbachyov's intellectual acumen and are greatly impressed with his earnestness and sincerity of purpose. The CPSU General Secretary combines a charming personality with a deep sense of the responsibility he carries on his shoulders as leader of a great power.

Rajiv Gandhi's visit has also revealed the vast potential which still remains to be tapped in the multi-faceted relations between the two countries. By all accounts it is a new landmark in Indo-Soviet relations and has opened new vistas for the two countries and peace-loving peoples all over the world.

CSO: 4600/1656

INDIA

CPI-M, MOSCOW TIES REPORTEDLY GROWING CLOSER

Bombay THE TIMES OF INDIA in English 13 May 85 p 7

[Text] Calcutta, May 12--The CPM's bid to establish itself in the eyes of the Soviet Union as a fraternal communist party in India received a further boost this week with the departure for Moscow of two of its prominent politburo members, Mr M. Basavpunniah and Mr Harikishen Surjeet.

Both have gone as guests of the Soviet Union to attend the celebrations to mark the 40th anniversary of the defeat of fascism, an occasion of considerable importance to communists all over the world.

Of course, it is not only the CPM which has been invited from India by Moscow. The CPI, which Russia has considered the truly representative communist party in India--since the split in 1964, has also sent a delegation thereby further confirming speculation that the time is not far away when the Soviet Union will accept a situation of there being two communist parties in India.

CPM Position

Moscow also seems to have accepted the CPM's position that it wishes to remain equidistant, at least officially, from both the Soviet Union and China, as its invitation to the party synchronised with a similar invitation from Beijing to which also the CPM has responded.

In fact, for quite some time now the party has been engaged in a balancing act, with a visit to one socialist country being supplemented by a trip to the other.

The CPM had a brief honeymoon with the Communist Party of China after it came into being in 1964 after splitting with the CPI, which it called "revisionist." Though the CPM had never officially spoken against the Communist Party of the Soviet Union (CPSU), the Chinese inference was that since it had parted company with the pro-Russian CPI, it could be treated as an ally.

However, with the Naxalbari movement in 1967 and the CPM's expulsion of extremist elements, the Chinese lost interest in the party and soon labelled

it as "neo-revisionist" and Radio Beijing began abusing leaders like Mr Jyoti Basu by name.

For ten years, till 1977, the CPM was out in the cold, with neither Moscow nor Beijing acknowledging it as a communist force. However, the spectacular electoral victories in 1977 in West Bengal and Tripura again drew attention to the party both from Moscow and Beijing.

The latter had, in the intervening period, rejected the Naxalites (the policy of individual terrorism was roundly condemned by the late Chou-En-Lai at a meeting which he had with the Naxalite ideologue Sourin Bose) and, looking for some other friend in India, had no option but to select the CPM.

The CPSU also found its traditional ally, the CPI, in political disgrace in the post-1977 election situation and decided to renew relations with the CPM which had direct access to the new powers that were in Delhi.

The CPM, on its part, was quick to take advantage of the changed situation. It pointed out that "if today Moscow and Beijing are once again accepting us, it is because they have realised their past mistakes. After all, we had never severed ties with anybody. It was they who had done so and it is they again who are now coming back to us. On our part, we welcome this change in position."

Relations Balanced

Nevertheless, party leaders lost no effort in ensuring there was no cooling off in the interests of the two giants and while contact with Moscow continued to be maintained at the party and trade union levels, the links with Beijing were fostered, among others, by the Kotnis memorial committee.

However, while officially it maintains that it is neither wholly pro-Soviet nor pro-China, events have shown the CPM to be tilted more towards Moscow than Beijing. On all international issues, be it Afghanistan, Vietnam or Kampuchea, it has subscribed to the Soviet view (of course, the CPM maintains, "it cannot be helped if our views coincide") which is totally opposed to the Chinese position.

On its part, Moscow has been more cautious in its responses to such overtures. This is understandable because while choosing to be friendly with the CPM, it cannot forget the CPI, which has all along been its staunch ally and whose general secretary it has decorated with the Order of Lenin.

In pursuing a line which is more CPSU-oriented, the CPM has been helped by the fact that over the years the pro-Chinese elements in it have largely been eliminated on the ground of being adventurists.

Endorsement Important

A message has also been spread along the party structure that a formal acknowledgement from Moscow is all the more important because in view of India's relations with that country, it could be a safeguard against attacks from the Union government.

Within the party, however, particularly in West Bengal, there are strong reservations about tilting more towards the Soviet Union. These critics feel this may again lead to "the wrong political decision of 1979, when, with an eye on the Soviet Union, we had withdrawn support to the Morarji Desai ministry, which ultimately paved the way for the return of the Congress." Right now, however, there are little signs of such criticism making an impact on the CPM national leadership.

CSO: 4600/1637

10 July 1985

INDIA

ANALYST ON BALANCE IN RELATIONS WITH SUPERPOWERS

Madras THE HINDU in English 12 May 85 p 2

[Article by G.K. Reddy]

[Text]

AS the budget session of Parliament draws to an end, the main focus of activity is shifting from the arena of internal politics to intensive preparations for the Prime Minister's foreign visits. There is no pending legislation of any great consequence before Parliament that has to be gone through before the conclusion of the current session. Nor is the Government under undue compulsion to race against time to resolve the Punjab tangle before Mr. Rajiv Gandhi goes to Moscow and Washington.

The present tendency, therefore, is to let the running sores run a little longer, whatever the agonising ordeals of a prolonged suspense, before coming to grips with intractable domestic issues of this kind with greater firmness or flexibility, or a combination of the two approaches, at a politically more opportune moment. So the Government is no longer in a hurry to open a new dialogue with the Akalis before they are really ready to arrive at a reasonable settlement.

The earlier sense of urgency in making some headway to create at least an illusion of progress, on the eve of the first anniversary of Operation Bluestar that is going to inflame passions again, has now yielded place to a more realistic inclination to let the divided Akali leaders take their own time in settling their squabbles, before engaging in any serious discussions with them. At the same time due care is being taken to avoid a totally misleading impression that the Government is deliberately dragging its feet to exert pressures on them by simply delaying the resumption of negotiations, since it could not have a very adverse reaction in the prevailing atmosphere of renewed violence.

Reversal of priorities

The subtle difference between the previous display of impatience and the present readiness to put up with the angularities of Akali politics is that the Government is no longer toyng with the idea that the Rajiv touch can

help to heal the wounds and remove the scars from the minds of an alienated community which continues to be swayed by exaggerated fears of discrimination. The sobering realisation that no dramatic solutions are possible even with the best of intentions in such irrational situations had led to a quiet reversal of priorities

with the result that nobody in a pivotal position in the Government is talking of an early accord with the Akalis to end the trade rift soon.

The feeling hitherto in high Government circles here was that, until he succeeded in establishing a firm grip on the internal situation, Mr. Rajiv Gandhi would not be able to make any big impact on the international scene. Now the thinking in these very same circles is that, if he is able to maintain the right balance by deftly steering a middle course in India's relationship with the two superpowers, it would help considerably in enhancing his prestige on the home front and make it much easier for him to deal sternly with the recalcitrant elements bent on fomenting regional discontent or inciting religious emotions to embarrass him.

This new approach has made it imperative for the young Prime Minister to ensure the success of his visits to both Moscow and Washington, without getting caught up unwittingly in their political rivalries or psychological attempts to influence him. The relationship with the Soviet Union has remained quite cordial and steady over the years, posing no problems of consolidation or expansion of the on-going cooperation. But Indo-American relations have been plagued by recurring frictions and irritations, despite their shared interests in several spheres. The real test for Mr. Rajiv Gandhi's diplomacy will be how to establish and main-

tain closer links with both the superpowers in India's self-interest without the appearance of any new tilt in its attitudes towards them.

A plateau

The Indo-Soviet friendship built up over the last three decades has now reached a plateau with very little scope for any dramatic leap either in the quality or content of their relations. A mere increase in economic cooperation or intensification of defence collaboration cannot bring about a qualitative improvement in the character of their political understanding or continuing accord over many international issues. Any attempt to elevate this relationship artificially to the level of an *entente cordiale* would be counter-productive, since it would only identify India unduly with the Soviet power pursuits under the guise of shared values.

The Indo-Soviet treaty was signed in the particular context of the American tilt towards Pakistan in 1971 and the Nixon-Kissinger policy of wooing China which was still very hostile towards India at that time. It was intended to safeguard India's strategic flanks from a possible Sino-Pak. collusion during the Bangladesh conflict. But the treaty outlived its utility the moment this crisis was over, since there was no doubt that the Indo-Soviet relationship would continue to be close and cordial enough even without it. The treaty thus became a historical footnote rather than a binding commitment for sustaining Indo-Soviet friendship and cooperation.

High U.S. expectations

The young Prime Minister with all his earnestness and candour is going to find it considerably more difficult to cope with high U.S. expectations of perceptible changes in the policies of his Government. The Reagan administration has embarrassed him by talking of an arms sales relationship based on shared strategic perceptions. The U.S. assumption that Indo-American relations have warmed up after Mr. Rajiv Gandhi became Prime Minister is partly if not wholly based on the prevalent feeling in Washington that he could be charmed into adopting a pro-Western stance with some appreciative references to the performance of his Government. It is not generally realised by the visiting American dignitaries that he is made of sterner stuff than indicated by his mild manner.

The Americans have also been jumping to the hasty conclusion that the era of socialism and pro-Sovietism has ended in India with Indira Gandhi's sudden exit from the political scene and that the new Western-oriented men around Mr. Rajiv Gandhi would make him opt for a more pragmatic course that would step by step oblige his Government to strive for a closer understanding with the U.S. under the guise of seeking a more balanced relationship with Moscow and Washington. They do not imagine that Mr. Rajiv Gandhi's India would suddenly reverse its course and start courting the U.S. but they seem to believe that it would progressively reduce its dependence on the Soviet Union.

Psychological warfare

This hypothesis may or may not be correct, but its articulation by the U.S. has already made the pro-Soviet lobby in the ruling Congress (I) cry wolf about the alleged abandonment of the Nehru-Indira policies by Mr. Rajiv Gandhi's cohorts and press for a firm reiteration by the Prime Minister that the country would continue to adhere to its socialist path without any deviation. It is this campaign that made the party leaders include some extra sentences in the economic resolution at the AICC(I) session to reaffirm this position by reverting to the earlier left-of-centre stance.

The radicals in the ruling party who are dissatisfied with Mr. Rajiv Gandhi's leadership for various reasons are waiting for an opportunity to mount a fierce anti-American campaign on the eve of his visit to Washington. It would not be surprising if they come out with some disclosure of U.S. machinations in the country to embarrass the Prime Minister and compel him to say something harsh about American intentions in wooing India and talking of shared strategic perceptions. In waging this psychological warfare, the Soviets are much smarter than the Americans who can spoil even a good case through overstatement or compromise a valid cause through over-orchestration.

There are many top people in the Government who are wary of the American talk of an arms supply relationship that would reduce India's reliance on the Soviet Union for its defence requirements, which is one way of increasing the country's dependence on the U.S. with all its political overtones. In a society that is going to be in a state of flux for many more years as it goes through the throes of economic development, the Army is one of the stabilising factors. Any arms supply relationship established with the U.S. on the basis of shared strategic perceptions, so the argument runs, would inevitably throw the doors open for the extension of American influence to the armed forces which would not be in the country's interest.

So the U.S. is making a fundamental mistake in talking of an arms supply relationship with India, without prejudice to its policy of arming Pakistan well beyond its legitimate requirements, instead of concentrating on economic and technological assistance to earn the country's gratitude. This ill-advised policy will not prevent but promote an arms race between India and Pakistan, except that it is intended to take place exclusively under American auspices with no place for the Soviet Union.

From the Indian side, there has been a lot of ambivalence in talking glibly of a more balanced relationship with the two superpowers, when it should be following consciously, a policy of reducing its dependence on both of them. The Ministry of External Affairs in its present disjointed form is unable to do any deep thinking and come forward with some imaginative ideas for the Prime Minister's consideration.

The Prime Minister's Secretariat, too, is equally ill-equipped at present to perceive the options open to the country in this context. The result is an increasing degree of casualness and superficiality in dealing with such complex issues as the right kind of relationship with the superpowers and the country's neighbourhood diplomacy to increase its influence in the region.

Confusion

The prevailing confusion at the policy-making levels of the Government was adequately demonstrated by an amazing absence of clarity on the nuclear issue, with the Prime Minister and the Defence Minister speaking in different voices, so much so that nobody was any wiser after the AICC(I) session what exactly India would do, or was capable of doing, to counter a nuclear threat from Pakistan. The one issue in which both the U.S. and the Soviet Union are agreed is on preventing the spread of nuclear weapons in the name of non-proliferation and India should expect them to exert joint pressures to prevent it from exercising the option.

This is one field where India just cannot play one superpower against the other to assert its sovereign right to go in for the bomb if the need ever arose for it. The right thing to do is to encourage an informed public debate on the subject to draw attention to the manner in which the western powers have been evading their responsibility of preventing Pakistan from acquiring nuclear capability even if they are not actively encouraging it. There is no need to be apologetic about the compulsions that might impel India to exercise the option if the big powers did nothing to constrain Pakistan.

There is need for greater clarity and sophistication in the projection of the country's political policies and conduct of its foreign relations. It is not possible to do so through thundering declarations and resolutions, when the real need is for imaginative action. It should not be left to Moscow or Washington to advise or decide what is good for India in a given situation, which should be done by India itself with a sense of clear-cut purpose in pursuit of well-conceived policy pursuits free from the vagaries of ad hoc responses under pressure of events.

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10 July 1985

INDIA

PAPERS REPORT DEVELOPMENTS IN INDIAN SPACE PROGRAM

Peak Period in 1985-90

Madras THE HINDU in English 15 May 85 p 8

[Text]

If the current frenetic activity at the Sriharikota rocket-launching complex, as a prelude to the ASLV (Augmented Satellite Launch Vehicles) slated for September, is any indication, the Indian Space Research Organisation (ISRO) is all set to reach a peak period of activity in 1985-90, the Seventh Plan period.

These five years will, in some measure, satiate the cosmic wanderlust of the ISRO, when not only giant India-built rockets will heave massive indigenous satellites into orbit but also an ISRO scientist will travel aboard the American space shuttle next year. The work-ethic for these tough, exacting missions is already noticeable at Sriharikota (SHAR Centre) from where many of these launchings will take place.

Sleek, colourful posters on the ASLV, huge pin-ups with the prophetic words of Vikram Sarabhai, father of Indian space science, and stickers with the legend "Gear up for ASLV" adorn the walls of hundreds of rooms in SHAR and scientists in their cabins sit surrounded by big toy models of the ASLV and the PSLV (Polar Satellite Launch Vehicle) rockets (scheduled for launching in 1989).

It is a far cry from 1969 when a small, pencil-sized rocket with 350 grammes of propellants was launched from a decrepit church building in Thumba, Trivandrum to present ASLV rockets, standing 23.5 metres tall and weighing 39 tonnes.

One a year

A series of ASLV launchings will take place, almost one a year making them finally operational. They will loft into orbit 150 kg. satellites, compared to their predecessors, SLV-3 rockets, which orbited comparatively smaller ones weighing only 35 to 40 kg. The transition from the SLV stage to the ASLV phase indeed touches a water-mark for the

ISRO. Skipping the operational stage of SLV-3 rockets (a rocket will have to undergo experimental, developmental and operational phases before it is declared qualified), it moved on to the ASLV.

The year 1986 will witness a peak period of activity for not only will an ISRO space scientist fly aboard the U.S. space shuttle which will also deploy the INSAT-1C (Indian National Satellite) but also there will be the ASLV launching and the Indian Remote Sensing Satellite (IRS) launching from a Soviet cosmodrome.

The process of selection of the Indian space scientist to fly aboard the shuttle to participate in the deployment of INSAT-1C is in the final stages and eight persons have been short-listed. Finally, two will be selected in June, one of whom will be a stand-by.

Going into the etymology of the word satellite, one finds that it is derived from the Latin word that the Romans applied to followers of wealthy men who constantly hovered round them in the hope of getting special favours.

Thus, the moon is called a "satellite" of the earth and to distinguish these satellites from the man-made satellites which orbit or hover round the earth, a qualifier was added—they were called "artificial satellites". But the qualifier was soon dropped and going a step further, scientists call them "spacecraft" and not satellites any longer.

PSLV from SHAR

The year 1989 will also be a mile-stone in India's space efforts when the first Indian-built PSLV will be launched from SHAR. These monstrosities tall and heavy rockets—45 metres tall and weighing 250 tonnes—will loft the IRS satellites, weighing a massive 1,000 kg, from SHAR. In this mission, both the satellite and the rocket (PSLV) will be made in India and launched

from India. But in the case of its predecessor in 1986, the IRS satellite alone will have been manufactured by the ISRO satellite centre, Bangalore, while it will be a borrowed launching on a Soviet vehicle from a Russian cosmodrome. An agreement for this launching has been signed between the ISRO and Licensintorg (USSR).

The profile after 1990 promises to be hectic with the INSAT-II series beginning to fly from 1992. An important difference between the INSAT-I and the INSAT-II series is that in the former, all the satellites (1A and 1B) were built abroad and launched by foreign vehicles while in the latter, everything will be indigenously-built. The INSAT-1A and 1B were built by Ford Aerospace and Communication Corporation of USA and launched by Delta vehicle and U.S. space shuttle "Challenger" respectively in 1982 and 1983 from Cape Canaveral. The third one (INSAT-1C) is also built by Ford Aerospace and will be launched by the Space shuttle but an element of indigenisation in this is that an ISRO scientist will participate in its deployment.

The satellites of the INSAT-II series will be built in India and launched by giant Indian-made rockets called Geo-Stationary Satellite Launch Vehicles (GSLV), which will even tower the aerial Behemoths PSLVs.

Indigenisation

Thus, the thrust of the Department of Space is on indigenisation in the technology of satellite and rocket building and in making use of it to bring telecommunications, meteorology and remote sensing for the benefit of the people.

The INSAT series are multi-purpose satellites, serving the nation's telecommunication and weather-forecasting needs and in a very limited way, remote sensing also. The INSAT-1C whose launching has been advanced from 1989 to 1986 because of the failure of INSAT-1A in 1982 will serve as a back-up or on-orbit spare for INSAT-1B. Though somewhat underutilised in the software (programmes) prepared by the Doordarshan Kendra and the All-India Radio, the INSAT-1B is already used by 171 low-power TV transmitters (of Doordarshan Kendra) which are linked to the satellite for relaying national programmes from Delhi. Besides, the spacecraft provides valuable information to the Indian Meteorological Department on weather, helping it in the prediction of cyclones and on-set of monsoons.

The IRS satellites to be launched from Russia and also by PSLVs from SHAR will

be purely remote sensing satellites that is they will provide information through photographs on soil, water, vegetation and mineral wealth of India. Besides, they will also furnish data on the ocean wealth, pinpointing the locations where shoals of planktons or lobsters abound.

However, India's space efforts have been clouded by failures also. The very first indigenously-built SLV 3 rocket with a technological payload, launched from SHAR on August 10, 1979, plummeted into the Bay of Bengal with its fourth stage five minutes and 15 seconds after take off. This "partially unsuccessful" mission, as it was termed, was due to "a silly fault." A solenoid valve leaked its nitric acid, bringing down the fourth stage and it was explained that a rocket trying to go up without nitric acid was like trying to drive a car without petrol. The next SLV mission, however, was a "fantastic success" when it launched a full-fledged payload, Rohini satellite, into perfect orbit on July 18, 1980.

But misfortune dogged the ISRO again, when the first developmental flight of Rohini satellite atop SLV-3 (SLV RS-D-1) launched on May 30, 1981, burnt up in space after nine days only when it achieved a lower orbit than targeted. This happened because of the malfunctioning of one of the one lakh components in the vehicle. As a top scientist put it, "I would have been unhappy if the rocket had disintegrated. The vehicle stood the test well in spite of the third and fourth stage rockets going through very hostile and turbulent atmosphere." However, the succeeding SLV mission was a success as it incorporated a powerful Kevlar motor in the fourth stage to prevent the satellite from reaching a lower orbit.

The INSAT-1A was also a failure. Misfortunes dogged it right from the start with its solar sails refusing to open up and finally, it drifted out of orbit only 150 days after launch, when its projected life-span was nearly seven years. The ISRO euphemistically said the satellite was "deactivated."

The Bhaskara-I launched from the Soviet cosmodrome in June, 1979, also was hobbled by one of its two TV cameras refusing to function. This camera, however, was activated in May, 1980 and worked perfectly well.

Thus, the ISRO has had a chequered history, alternating with successes and failures and with experience gained from both, it is all set to reach new frontiers in space technology from 1985.

Details on Stross-1

Calcutta THE TELEGRAPH in English 29 Apr 85 p 4

[Text]

Trivandrum, April 28 (UNI): The augmented satellite launch vehicle (ASLV) carrying the first of the stretched Rohini satellite series (Stross-1) is scheduled to blast off from Sriharikota in September.

The ASLV was undergoing the final stage of ground static tests at the space centre here, according to its director, Dr V.R. Gowriker. The ASLV's main experiment was aimed at feeding its technology into the polar satellite launch vehicle (PSLV) which is being developed for injecting a 1,000-kg Indian remote sensing satellite into a 900-km synchronous polar orbit in future.

Stross-1 satellite will be put into a circular orbit 400-km above the earth with the launching of the ASLV. It will carry sensors and instruments to monitor temperatures, pressures and "gama burst" radiation in the atmosphere, Dr Gowriker said while addressing a review meeting at the space centre.

ASLV is configured with SLV-3 as its core vehicle and control thrusters and highflow rate components for secondary injection thrust vector control had been qualified, Dr Gowriker said.

Some of the complex systems like those relating to strap-on boosters, metallic heat shield, canted nozzles, closed loop guidance will be tried for the first on the SLV launch, he added.

Another improvement over the SLV-3 design is the provision of inertial navigation system. Information about the position of the space craft, its velocity and direction of movements will be continuously fed into an onboard computer which will then generate relevant steering commands to keep the vehicle on its pre-determined course.

CSO: 4600/1639

INDIA

GRAIN PRODUCTION TARGET RAISED BY 10 MILLION TONS

Bombay THE TIMES OF INDIA in English 23 May 85 p 1

[Text] New Delhi, May 22--Anticipating good monsoon rainfall, the Union government proposes to step up foodgrains production by about ten million tonnes this year. The target for 1985-86 has been fixed at 160 million tonnes, against last year's rough production estimate at 150.5 million tonnes.

Disclosing this at a press conference here today, the agriculture secretary, Mr M. Subramaniam, said in view of the meteorological office's forecast of an early and above-normal monsoon precipitation and efforts proposed to be made by state governments, the foodgrain output target was likely to be exceeded.

If all went well, the country might bag harvest of 164 million tonnes, "Even under the worst circumstances, the output is not likely to fall short of 157 million tonnes," he added.

The target for kharif production has been fixed at 89 million tonnes and for rabi at 71 million tonnes. The output of oilseed is proposed to be raised to 15 million tonnes, against the record 13 million tonnes last year.

The meteorological department has predicted that the monsoon which has already set in over the Andaman islands will hit the Kerala coast in the last week of May against the normal first week in of June. The overall precipitation during the season is expected to be 10 to 20 percent above normal in most parts of the country.

Mr Subramaniam said though the final figures for last year were not yet available, indications were that the rabi grain output was well above the previous year's record of 62.5 million tonnes. It might turn out to be over 63.5 million tonnes. However, it did not adequately offset the loss in the previous kharif output due to erratic monsoon.

The overall agricultural strategy this year would be to consolidate the gains and strive to move forward. A plan of action had been chalked out for each district. He said stress would be laid on providing farmers with the seed of new crop varieties besides other inputs.

Necessary instructions were being issued to state governments to ensure timely technical advice to each farmer from the extension services. The TV (training and visit) system of extension was being strengthened for this purpose.

The availability of Bajra hybrid seed was likely to pose a problem in the ensuing kharif, as the seed crop in Gujarat was hit by the downy mildew disease. Scientists of the Indian Council of Agricultural Research had suggested a new chemical (not yet registered as a pesticide) to be used for treating the seed to prevent the spread of the disease.

CSO: 4600/1655

10 July 1985

INDIA

BRIEFS

PAKISTAN SPY NETWORK--Jammu, April 25 (PTI)--The police today claimed to have busted an active Pakistan espionage network which also smuggled arms and ammunition, with the arrest of four persons in the border district of Poonch. A special team of the Punjab police assisted by the local police raided the border town of Surankot, about 222 km from here and arrested two kingpins of the racket. A large quantity of arms and ammunition were seized during the search of their houses. The two persons identified as Abdul Rasheed, a head fireman of the Jammu and Kashmir fire service, and Baldev Singh were arrested after a clue provided by one Sukhdev Singh who was arrested early this month from the same area by the Punjab police. [Text] [Bombay THE TIMES OF INDIA in English 26 Apr 85 p 9]

INDO-CUBAN TRADE PACT--New Delhi, May 22--India and Cuba today forged closer business links by concluding a co-operation agreement between the chambers of commerce of the two countries. The agreement was signed on behalf of the FICCI and the chambers of commerce of Cuba by their presidents, Mr D.N. Patodia and Mr Bose M. Diaz Mirabal, respectively. Under the agreement, the parties pledged to make efforts to stimulate and develop trade, exchange information, provide mutual assistance in organising trade missions, trade fairs, exhibitions, symposiums and seminars. The two chambers also agreed to establish work groups in their organisations. Mr Patodia said there was a good prospect of stepping up Indian exports of engineering goods, rolling stock, railway wagon components, sugar mill machinery, textiles, cement, paper, jute mill machinery, commercial vehicles, agricultural machinery, machine tools and so on to Cuba. India, Mr Patodia said, could import raw sugar from Cuba and export the same after refining to third countries. [Text] [Bombay THE TIMES OF INDIA in English 23 May 85 p 7]

'UNITED' AKALI DAL SECRETARY--Amritsar, May 21--Mr Surat Singh, a 53-year-old school teacher was appointed secretary of the "united" Akali Dal, reports PTI. This was announced yesterday at a Press conference by the acting convener, Baba Joginder Singh. His appointment came following the resignation of Mr Dial Singh on health and personal grounds. [Text] [Calcutta THE STATESMAN in English 22 May 85 p 7]

10 July 1985

EXPORTS TO USSR--Moscow, May 17--India has become the USSR's biggest trade partner among the developing countries and now ranks seventh among the USSR's partners in the capitalist world, Soviet Deputy Minister of Foreign Trade Mr I. Grishin said, reports PTI. At present, 17.6 percent of India's exports go to the USSR, up from 2.7 percent in 1960-61 and 13.5 percent in 1982-83. During the 1981-84 five year Plan period, the overall Soviet-Indian goods turnover totalled 10,000 million roubles (Rs 150,000), Mr Grishin said. The volume of trade may reach 13,000 million roubles (Rs 195,000) during the current five year Plan period, he added. The USSR meets 60 percent of India's needs in kerosene, 40 percent of its needs in diesel fuel, 25 percent in zinc and 20 percent in newsprint. India exports to the USSR a wide range of commodities which are either not produced there due to climatic conditions (Jute, castor oil, coffee, black pepper) or their production in the USSR is not economical (skins and hides, tea, cotton fabrics, fruit juices). [Text] [Calcutta THE STATESMAN in English 18 May 85 p 15]

INDO-POLISH PROTOCOL--Council for Scientific and Industrial Research and Polish Academy of Sciences have identified new areas of cooperation in Science and Technology, according to a statement on Saturday. In joint three-day meeting held in the Capital recently, the two sides expressed satisfaction over the progress of existing projects. They have signed a three-year protocol for scientific and technical cooperation in hydro-metallurgy, food technology, processing of fur and pig skin and geomechanics. [Text] [New Delhi PATRIOT in English 19 May 85 p 3]

SOVIET AIR FORCE CHIEF--Soviet Air Force Commander-in-Chief Marshal Alexander Nikolayevitch Yefimov arrived in New Delhi on Thursday on a four-day visit to strengthen the close cooperation in military matters between the two countries. He was received at the airport by Chief of Air Staff Air Chief Marshal L.M. Katre. Air Marshal Yefimov will hold talks with Defence Minister P.V. Narasimha Rao before visiting some military installations and air bases in the country. India is in the process of acquiring new generations of the MiG aircraft. The MiG-23 swing-wing has already been inducted into the Indian Air Force. While deep penetration will be handled by the Jaguars and the Mirage-2000s interdiction close air support and air superiority are the specialities of the MiG family of aircraft with the IAF. Air Marshal Yefimov's visit will be an occasion to exchange views on global and regional developments of which both countries keep each other informed. [Text] [New Delhi PATRIOT in English 17 May 85 p 1]

CSO: 4600/1657

IRAN

BRIEFS

EXPORTS TO PAKISTAN--642 tons of goods including herbal and industrial drugs and dates from Sistan and Baluchestan Province valued around 24 million rials were exported to Pakistan via the Zahedan custom house last year. According to IRNA 224,565 tons of goods were loaded and unloaded last year at the Zahedan custom house and 87,433 tons of goods valued at over 5.375 billion rials were released. Based on this report, during this time Zahedan customs' had nearly 3 billion rials income from the release of merchandise. This custom house has investigated 1588 cases of smuggling goods. [Text] [Tehran BURS in Persian 25 Apr 85 p 5] 9815

COTTON PLANTATION AGREEMENT--Implementation of production increases and cotton quality improvement projects at the national level through the end of 20 March 1985 covered a total of 135,211 hectares of the country's cotton plantations. These areas include Gorgan, Gonbad Qabus, Fars, and Semnan. Contracts for increasing production and improving cotton quality have been signed within the framework of the cultivation programs for seed exchange and seed increase with 22,759 cotton cultivators and over 3,000 cultivator councils. The managing director of the cotton and oil seed organization of Iran in an interview with the IRNA reporter in announcing this subject added: "This level of contracts increased 11 percent compared to the same time in 1983." [Text] [Tehran BURS in Persian 24 Apr 85 p 1] 9815

CSO: 4640/555

PAKISTAN

BIGGEST CHALLENGE FOR PRIME MINISTER SAID TO BE IN ECONOMIC SPHERE

Lahore NAWA-I-WAQT in Urdu 17 Apr 85 p 3

[Editorial: "A Challenge for the Prime Minister"]

[Text] The picture of the economic situation in the country presented by Finance Minister Dr Mahbubul Haq at the press conference, stating the decisions of the E.C.C. [Economic Coordination Committee] is not encouraging, if not downright discouraging. This report shows a 12 percent decrease in exports and a decrease of 14 percent (in some months 28 percent) in the remittances from Pakistanis in foreign lands. The export of cotton has come down because the international market has been flooded by cotton from other lands. In exports of rice, Pakistan has to compete with India and Thailand. The value of the dollar has climbed and, with it, the European currencies have been devalued. That has caused a loss in the trade of Pakistani carpets and rugs. The production price of everything has increased. Owing to the use of imported goods, the industry of making synthetic goods has suffered. To overcome these difficulties, the minister of finance and planning had to take certain steps before drawing up the budget. The purpose was to balance the payments and prepare the country to set up industries in the future. For this purpose, he has given tax exemptions to 22 items of export and lowered taxes on the export of 9 semi-manufactured goods and 3 kinds of grains. Positive steps have been taken to increase remittances from the Pakistanis living in foreign lands. This means that the government will have to shoulder a deficit of between 900 million to 1 billion rupees. Still it will help the failing economy of the country.

The prices of the products of the Pakistan steel mill have been set lower than the prices of similar imported goods. In order to ease the 11-billion rupee burden on the steel mill, share certificates will be sold. This will lead to a surplus of 130 million rupees instead of a deficit of 1.5 billion rupees.

The economic condition of the country can be deduced from the fact that last year the inflation rate was 11.4 percent and 16.6 billion rupees worth of currency notes had to be printed. Inflation has almost doubled prices inside the country. The cause of the inflation and deficit financing is said to be the effort of the government to increase investment in the public sector. Moreover, the rupee is falling in value in comparison to the dollar and other currencies. The chief cause is our defective planning and the fact that our

bureaucracy is a complete stranger to the problems and interests of the common man. We have been depending on 'ad hocism' both in the days of Bhutto and in the 8 years of president Zia's rule. As a result, now we are facing the worst kind of financial, economic and energy problems. The Kalabagh project has fallen victim to certain compromises and is in limbo because of the bureaucracy. This state of affairs is a great challenge for the present democratic government.

New Finance Minister Dr Mahbubul Haq's statement that the public will be consulted about the budget deserves commendation. He has already consulted certain social groups. Still the consultation should not be limited to special groups. All the different classes in the country should be included, since the budget has an effect on everybody's life. In the past, the finance ministry used to appoint committees comprising a few bureaucrats and some nominated individuals. Such committees only served the interests of particular groups. The present finance minister has eschewed this method. This is a good omen. Still primary importance should be given to consulting the classes that are not represented in the government--such as small landholders, landless peasants, and laborers and people of limited means. Despite being in the majority, they have no vote in the government.

Former Finance Minister Dr Mubashar Hasan, too, has discussed the economic situation in the country. His name brings bad memories to the people, since the seeds of all the present problems were sown in his day. Still, as wise men have said, listen to what is said, and do not mind who says it. Well, he says that, unfortunately, our financial affairs have been turned over to the World Bank and international financial institutions. Pakistan has been compelled to make [i.e., subsidize] exports. In some sections the value of the dollar is equal to 17.50 rupees. We should take a lesson from what has happened in Sudan. It is essential under the present circumstances to make extensive and long-term plans to cure the country's financial ills. It is a fact that our exports have dropped. While making efforts to increase exports, we should at the same time control imports. The inflation in the country has changed our standards of value. The luxury we see on all sides is caused by inflation. The markets are teeming with luxury goods, but it is all superficial wealth, and we shall soon see it backfire. There are smuggler's markets on every side. Khagan Abbassi has announced that the ministers will in future be given only Suzuki cars. But what about the long shining cars driven even by grade 17 or 18 officials? These officials travel first class, and nobody can guess from their standard of living that they are the public servants of a poor developing country. The best plan would be to save the country's wealth by banning all luxury goods. The government officials should adopt simple living. They should not be allowed to play ducks and drakes with public money. We would ask the finance minister to form a commission of experts in economic and social affairs to study the situation in the country and present their recommendations. The finance minister will be able to solve the country's economic problems in the light of those suggestions.

PAKISTAN

CONFEDERATION IDEA DISCUSSED, ARGUMENTS REFUTED

Karachi DAWN in English 10 May 85 p 17

[Editorial]

[Text]

PAKISTAN is one of the few countries in the world which has been burnt by the fires of separatism. Its people, therefore, have reason to look around when their fears of separatism are revived. The confederation slogan coined by a group of exiled politicians in London may appear little better than a bogey at the moment but it is pertinent to recall that when Shaikh Mujib unfurled his Six Points in 1966 he was similarly belittled. It was even said at the time that the Six Points had been authored at the behest of the Government with the intention of sowing confusion in the ranks of the Opposition. In a space of five years, however, Pakistan was dismembered and Shaikh Mujib's vague idea assumed the shape of reality. The confederation idea, thus, may not have struck root at the moment but it presents disturbing possibilities for the future. It is even very dangerous because it seeks to impose a revisionist stamp on an important aspect of our history. In resting their case on the 1940 Resolution, the authors of the confederation idea are doing violence to the spirit of that Resolution. They say that their programme is for decentralisation of power in accordance with the 1940 Resolution. But they tend to lose

sight of the historical context in which it was framed. Admittedly, the Lahore Resolution envisaged a loose federal arrangement among the Muslim majority provinces. But at that time the demand for Pakistan was still very vague and the Muslim League had a dual fight on its hands — against the British and the Hindus. The heavy stress on the federal principle, apart from its intrinsic merit, was motivated by the desire to offset the Congress insistence on a strong Centre. In 1946, moreover, the Muslim League, under the leadership of the Quaid-i-Azam, corrected some of the provisions of the Lahore Resolution. At any rate, that document cannot provide literal guidance about each and every particular aspect of statecraft forty-five years after it was first formulated. In this context, it is also important to bear in mind the fact that the Independence of India Act 1947, under which India and Pakistan achieved their freedom, provided for two, and only two, independent States on the subcontinent. This clearly reflected historical reality because independence from the British was won not by the individual provinces but by two national movements, the Congress and the Muslim League. Thus, the assertion that the original contractual

arrangement entered into by the provinces has broken down is incorrect because nothing of the sort has occurred in the first place. From this account it is clear that the demand for a confederation has no justification in history. If the version of those who are seeking such a justification is accepted, then there is nothing to prevent the further dismemberment of the country.

At the same time, it should also be obvious that a defence of historical purity is of no avail, at least it serves no purpose, if contemporary national politics continues to be marked by the multiple shades of confusion and uncertainty of the past several years. The welter of conflicting sounds which are beginning to fill the air are really symptomatic of a serious intellectual crisis that has gripped the country. Old truths are being called into question while new ones are taking their place. The seven-and-a-half years of a supra-civil dispensation is the primary reason for this state of affairs. The Constitution of 1973 embodied a national consensus as to the way Pakistan should be governed. The quantum of provincial autonomy enshrined in its pages had the backing of the smaller provinces. But holding the Constitution "in abeyance" for over seven years has created an alarming sense of drift. Among the people of Sind and Baluchistan particularly the feeling has gained ground that what had been promised to them by way of provincial autonomy has been snatched away. Nor is the matter merely one of theory because the over-centralisation which is a feature of the present governmental machinery has fuelled the perception among the smaller provinces that they are being denied their legitimate share of

power and national resources. Matters might have improved substantially had the 1973 Constitution been restored in its totality. But the arbitrary amendments grafted onto it have left only a weak substitute behind. While the Government insists that the 1973 Constitution is still the Basic Law of the land, the number of voices suggesting that it no longer exists is on the rise. If even the moderates have begun to demand a new constituent assembly to draft a fresh constitution, it is hardly surprising if headier elements have begun to pipe a different strain.

While it is true that most of the people behind the confederation idea do not enjoy much political support (not even among their own political parties), that is no consolation to anyone else because what they have to say is falling on fertile ground in the interior of Sind and in Baluchistan. There is, thus, an urgent need to arrest this drift and there is still time to do so if the amendments which have defaced the 1973 Constitution are withdrawn, if Parliament is made truly sovereign and if a firm and early date is announced for the lifting of Martial Law. This will no doubt end the drift and allay the apprehensions that have been expressed. But once that stage has been reached, it will be necessary to subject the Constitution's scheme of power-sharing between the Centre and the provinces to fresh review in order to accommodate the demand for greater autonomy which has been voiced by leaders of the provinces. The choice may be hard, but evolution along these lines will make it possible for political leaders to broaden the base of autonomy according to the procedure laid down in the Constitution itself.

PAKISTAN

LEADER ISSUES REJOINDER ON CONFEDERATION ISSUE

Karachi DAWN in English 5 Jun 85 pp 1, 3

[Text]

"The 1973 Constitution did... embody the consensus of the nation but on conditions that the quantum of provincial autonomy would be substantially increased after ten years and that it would preserve democracy. On both these counts it has failed and now stands totally mutilated." This was stated by Mr. Mumtaz Ali Bhutto, in a rejoinder issued from London to DAWN's editorial comment on the confederation question published on May 10.

The leader of the newly formed Sindhi-Baloch-Pashtoon Front disagreed with the view that the 1946 Muslim League Legislators' Convention resolution had altered the basic political scheme embodied in the 1940 Resolution and contended that the "need today is to go beyond the 1973 Constitution" and opt for a confederal system which, he thought, would hold the country together and ensure "equality of all provinces."

Following is the full text of the statement:

This relates to DAWN's editorial of May 10.

Let me express straightaway that I appreciate the predicament DAWN finds itself in on the issue of confederation. While subscribing to the practice of opposing the idea DAWN has not been able to escape the responsibility to concede some of the truth. You admit that "the confederation idea may not have struck root at the moment but it presents disturbing possibilities for the future 'and that' it is falling on fertile ground." These are, of course, gross understatements but nevertheless an adequate answer — firstly to the military rulers and their fellow travellers and, secondly, to politicians in haste to find

short-cuts to Islamabad, who are engaged in a competition to outdo each other in crying wolf. General Zia's remark that confederation is supported by only a handful of people is very familiar. The point here is that if the Sindhi-Baloch-Pashtoon Front and its programme has mustered no support, then why the panic and hysteria in the Press? Why the total suppression of the voice in support and oppression of those raising it? Why the standing orders for my arrest the moment I set foot in Pakistan? Why all the efforts to prevent the issue from going to the people?

You admit that "the Lahore Resolution envisaged a loose federal arrangement among the Muslim majority provinces" and that in 1946, the Quaid-i-Azam corrected some of the provisions of the Lahore Resolution. Loose federation is in fact confederation and some corrections do not mean complete change. The 1946 resolution amended only that portion of the Lahore Resolution which provided for two Muslim nations in the east and west while leaving the provisions relating to 'autonomy and sovereignty' of the provinces and very restricted power to the Centre quite intact. It is wrong to assume just because the two Muslim nations were made into one, the commitments made to the provinces also stood withdrawn. Quite the contrary is evident from the Muslim League memo to the Cabinet Mission in 1946 accepting their plan for a confederation of India and going far beyond to insist that:

"After the Constitutions of the Pakistan Federal Government and the provinces are finally framed by the constitution-making body, it will be open to

any province of the group to decide to opt out of its group provided the wishes of the people of that province are ascertained by a referendum to opt out or not."

There can be no getting away from the fact that the Quaid firmly believed in confederation and the idea is deeply rooted in the history of Pakistan.

This stark reality has generated an amazing tendency to disown the Lahore Resolution. After fortyfive years of celebrating it as the 'Pakistan Resolution', the impression is now being encouraged that it was the 1946 resolution and not the Lahore Resolution which constitutes the basis of Pakistan. The Lahore Resolution cannot, however, be made a sacrificial goat at the altar of convenience of the military rulers. It provides a remarkable insight into the firm convictions of the Quaid, who, undoubtedly, based the demand for Pakistan on the need to protect the minorities in India. We clearly and correctly believed that in a federal set-up, there were no safeguards for the minorities even if the Constitution so provided. This is distinctly stated in the (now much referred to but still seldom read) 1946 resolution and is the sole reason why the Congress proposal for an undivided federal India was rejected by him.

The suggestion that the Independence Act of 1947 brought Pakistan into existence is again an attempt to disown the Lahore Resolution and, I am sure, not meant to be taken seriously, otherwise we run into a lot of difficulties. How can we, for instance, ignore the situation that had led to the passage of this act and forget that it was with the consent of the components that the two States of India and Pakistan came into existence? If this consent was meaningless and it was the imperial decree that mattered, then on what grounds have

we sponsored the cause of Kashmir, Hyderabad, Junagadh and Mangalore, each of which either opted for independence for India or Pakistan. India, at the time of the British conquest, was a mosaic of independent states, and independence from the British meant restoration of status quo ante or the freedom for the components to decide their future in exercise of their own independent and sovereign authority. Thus, there was very much a contractual agreement (and not to the contrary as you assert) entered into by the provinces which in the case of Pakistan was based on the promise of 'autonomy and sovereignty' contained in the Lahore resolution.

The 1973 Constitution did indeed embody the consensus of the nation but on conditions that the quantum of provincial autonomy would be substantially increased after ten years and that it would preserve democracy. On both these counts it has failed and now stands totally mutilated. The demand for its resurrection as the key to our salvation would be ridiculous were it not a dangerously tutored and tailored slogan being raised by the some people to the satisfaction of the military rulers. The need today is to go beyond the 1973 Constitution. The proposal of the SBPF for a confederal system in Pakistan means the free and voluntary association of the provinces which will not require martial law or the deployment of troops to hold it together. This system provides for the restoration of democracy and its protection, together with equality of all provinces. Those opposing it must give an alternative which removes the existing grievances and gives the required protection, otherwise it follows that they are supporting continued military rule and exploitation of the smaller provinces, thereby making themselves responsible for the disastrous consequences that must soon result.

10 July 1985

PAKISTAN

PUNJAB-SIND CONFLICT OVER INDUS WATER REVIEWED

Karachi BUSINESS RECORDER in English 4 Jun 85 p 2

[Editorial]

[Text]

Of all the speeches and statements that have so far been made on the issue of distribution of water — quite a few have been highly parochial and shortsighted — the one made by Dr. Amina Ashraf of Hyderabad in the Sind Assembly on Sunday last, deserves the attention of all the patriotic elements in the country, particularly those who swear by democracy and profess to have faith in democratic institutions. She lamented that the issue of distribution of water had acquired parochial overtones, which was not a good omen at all. She, therefore, proposed that a committee of MPA's of Sind be constituted to hold negotiations with the members of the Punjab Assembly on water distribution and to chalk out a formula for an equitable and just distribution system.

Indeed, this is a suggestion which is not only democratic in its spirit but is in accord with the teachings of the Quran and with

the best of Islamic traditions. Democracy in its true sense means active participation of every adult member of a nation in the conduct of the affairs of State, whereas for the followers of Islam it has been laid down that nothing should be allowed to create division among them and all differences be resolved through mutual consultations or through independent arbitration and the verdict of the arbitrator in a given situation should be willingly accepted and his directives honestly carried out.

So far the matter of water sharing has rested with the committees of bureaucrats in the employ of the provinces or the centre, who by the very nature of their employment have to temper their honest judgement and the dictates of their conscience in line with the dictates of those who wield authority over them. Even the political Ministers suffer from the same hand-

icap because they have always to look upto the majority support in the legislatures they sit in. In today's context, the MPAs of the two provinces who are free from any political party directives are in a happy position to resolve this problem without any inhibition and in the best interest of the nation as a whole. Pakistan is one country and we are one nation. Every single inch of God-given earth belongs to the nation as a whole and must be fully utilized in the best interest of the entire nation. Water underground or in the rivers or in the reservoirs, we must recognize if we are true followers of Islam, is a God-given wealth which is held by the people in trust and should be used equitably in the best interest of the nation as a whole and not exclusively for the betterment of an individual or a class of people or residents of a particular area. Indeed, it is a sin that a Musalman should have his fill while his neighbour

should face deprivation.

If the MPAs of both the provinces apply themselves to the task in the true Islamic spirit, Business Recorder is sure having full faith in their Islamic ardour, the matter would be resolved to the satisfaction of all concerned and to the welfare of the nation as a whole. We suggest that the Sind Assembly Speaker, Husain Haroon form a 15-member committee of the MPA's in line with the suggestion made by Amina Ashraf and invite the Speaker of the Punjab Assembly, Mian Manzoor Watto, to do the same and get them to meet at the earliest to resolve the issue. Let no time be wasted. In the end we congratulate Amina Ashraf for the most sensible and democratic suggestion. Let the male chauvinists note that a true Islamic guidance has come from a woman while men issued statements, which will only create divisions.

PAKISTAN

PUNJAB'S STAND OVER INDUS WATER ISSUE EXAMINED

Karachi DAWN in English 5 Jun 85 p 6

[Article by Mian Bashir Ahmad]

[Text]

Rivers constitute the most important natural resource in Pakistan. They have sustained life in this part of the world for thousands of years and are still capable of providing for Pakistan's progress by irrigating the farmlands and generating hydel power. Anything that obstructs maximum utilisation of these river resources for the good of the people must, therefore, be accepted as a national tragedy of the highest order.

We are witnessing something like that. While millions of acres of farmland are waiting to be brought to life by supplies of water, an acrimonious and wholly unnecessary debate on the sharing of river waters has arisen. The longer this debate is continued the deeper will be the wounds that the country's economic structures will suffer. It is, therefore, imperative that the matter must be examined dispassionately and attempts to score points against one another strictly avoided. An amicable solution can be found if it is accepted that if Punjab Agriculture suffers, Sind also will lose and if Sind agriculture suffers, Punjab also will lose.

No elaborate arguments are needed to prove that a just distribution of river waters amongst the provinces will ensure all-round agricultural, industrial political and economic progress and stability in Pakistan. All the more regrettable, then, that this important issue should have become a subject of polemics and remained an item of political bargain with successive regimes.

Without any comments, at this stage, on the merits of the Indus Water Treaty of 1960, or the circumstances under which it was signed, it must be accepted that the benefits and liabilities accruing from it were to be shared by all regions of Pakistan. Punjab was deprived of its eastern rivers not by accident but as a result of the creation of Pakistan as desired and demanded by all the present provinces of the country. We must take another look at this Treaty.

It was agreed under the Treaty by the Government of India, through Prime Minister Jawaharlal Nehru, and the Government of Pakistan, through President Field Marshal Mohammad Ayub Khan, that Pakistan shall make its best endeavours to construct and bring into operation, with due regard to expedition and economy, that part of a system of works which will accomplish the replacement. This would mean shifting reliance to western rivers and other sources of water supplies for irrigation canals in Pakistan which, as on 15th August 1947, were dependent on supplies from the eastern rivers.

Under the Indus water Treaty, 1960, the project description of a system of works which was to be constructed by Pakistan was as follows:

(a) Transfer of water from the three western rivers of the Indus system (Indus, Jhelum and Chenab) to meet existing irrigation uses in Pakistan which have hitherto depended upon the waters of the three eastern rivers (Ravi,

Beas and Sutlej), thereby releasing the whole flow of the three eastern rivers for irrigation developments in India.

(b) Provision of substantial irrigation development in West Pakistan.

(c) Development of 300,000 KW of hydro-electric potential for West Pakistan.

(d) Making an important contribution to soil reclamation and drainage in Pakistan by lowering groundwater levels in waterlogged and saline areas.

(e) Affording a measure of flood protection in Pakistan.

The system of works included:

The system of works included:

	Location	Capacity
A. Dams and Related Works	(1) Jhelum River	Live storage of 4.75 million acre feet.
	(a) Hydro-electric generating facilities	300,000 KW
	(2) Indus River	Live storage of 4.2 million acre feet.

All the above mentioned works except at (2) have been completed since 1970. Consequential to Indus waters treaty 1960, the following canal head sources were transferred to new sources:

1). Mangla Command (C-J Zone)

Canal System Added Consequen-

tial to Treaty 1960:

CBDC : 0.64 m. acres

SVC (Upper) : 4.14 " "

4.78 " "

System shifted to Indus Zone from C—J Zone.

Trimmu : 1.35 " "

3.43 " "

II). Tarbela Command (Indus Zone).

Canal System Added Consequen-

tial to Treaty 1960:

Trimmu : 1.35 m. acres

SVC (Lower) : 0.87 " "

Panjanad : 1.45 " "

3.67 " "

* * * * *

/Bharmal

The most important work under

Indus Water Treaty 1960, was the construction of Chashma Jhelum link, which has become so controversial nowadays, although its design report under Indus Basin Project clearly indicates that the Chashma-Jhelum Link will supply, with water from the Indus, the requirements of canals offtaking at Trimmu to the extent such requirements cannot be satisfied by flow from the Chenab and Jhelum Rivers at that point. Requirements at Trimmu, in turn, comprise those of the Haveli and Rangpur canal system and the Trimmu-Sindhna-Mailsi-Bahawal Link.

At the time the Chashma-Jhelum Link was considered by the Indus

Basin Advisory Board, it was estimated that the capacity of Chashma-Jhelum Link should be 21,550 cusecs as follows, which clearly indicates its uses.

Requirement	Cusecs
Haveli Canal	4,700
Rangpur Canal	2,750
Reclamation uses at Trimmu	500
Trimmu-Downstream	
Islam Link	11,500
?	300
River Loses	2,300
	21,550

From the above notes and the criteria for working the capacity of Chashma-Jhelum Link, it is clearly indicated that the Link was constructed as a component of Indus Basin Works to feed Trimmu and lower Sutlej Valley canals with indus waters.

The Indus waters distribution amongst the provinces of the Sind and Punjab should have been integrated with Indus Water Treaty, 1960, so that no ambiguity was left for sharing of Indus waters. But this was not done, with the result that year-to-year ad hoc decisions have had to be taken by the two provin-

cial Governments. As a result, suspense and uncertainty persist and numerous suspicions have arisen in the minds of the people. The farmers of the two provinces remain in the dark and cannot undertake programming of their cropping patterns.

Chashma-Jhelum Link was completed in April 1971 and opened for the first time on May 25, 1971 for the purpose of testing and stabilising. On its completion, disputes over sharing the Indus waters arose and to settle the issue, a committee by the name of Indus waters apportionment committee was formed. It is learnt that the Chairman of the Committee had observed in his report of November 1971 that the Haveli, Lower Sutlej Valley canals and Panjnad canals, which receive supply through Chashma-Jhelum and Taunsa-Panjnad Link, were not new canals. Their sources had changed owing to circumstances over which they had no control. It was suggested that it would not be fair to give priority to the main stem projects over these canals,

and that the most equitable course would be to give priority to neither.

The Chairman also observed that Sind's objections to the operation of the two Indus Links were, however, not raised until after the Government had already spent over Rs. 100 crores on their construction. On this ground the Chairman did not entertain Sind's objection to the operation of these links. It is, therefore, quite clear that the uses of the Haveli, Panjnad and Lower Sutlej Valley Canals should have the same priority on the Indus as the canals of the main stem of the Indus. Shortages in meeting the proposed uses, whenever they occur, should be shared by the various canals according to priorities to their allocations for the period concerned.

If the observations are such, then no regard has been given to the committee's report and Chashma-Jhelum link which was constructed as a component of the Indus Basin works to feed Trimmu, and Lower Sutlej Valley Canals with Indus waters, have been running from

PUNJAB CANALS			SIND CANALS		
	Perennial	Non-Perennial		Perennial	Non-Perennial
1. Five Linked Canals.			1. Guddu Barrage Project.		
Upper Jhelum	3.03	3.25	Ghotki	—	6.0
Lower Jhelum	2.84	4.30	Begari	—	15.0
Upper Chenab	2.73	2.93	Desert	—	15.0
Lower Chenab	3.17	4.30	Pat Feeder	—	6.0
Lower Bari Doab	3.00	3.30	2. Sukkur Barrage Canals.		
2. Central Bari Doab	3.22	—	North-West	2.7	—
3. Haveli Project Canals.			Rice	—	17.6
Haveli & Sidhnai	3.00	4.80	Dadu	2.7	—
Rangpur	—	4.80	Rohri	2.9	—
4. Sutlej Valley Canals Project.			Nara	2.8	—
Depalpur	—	5.50	Khairpur East	4.27	—
Pakpattan	3.60	5.50	Khairpur West	4.27	—
Fordwah	3.60	5.50	3. Kotri Barrage Canals.		
Eastern Sadiqia	3.60	4.50	Kalri	7.70	12.60
Mailsi	—	5.50	Lined	9.0	—
Qaimpur	—	5.50	Fuleli	—	14.0
Bhawal	2.5	5.50	Pinyyari	—	14.0
	to 4.0				
5. Panjnad Project					
Panjnad	4.20	5.50			
Abbasia	4.25	5.50			
6. Thal	3.18	—			
7. Taunsa Project					
Muzaffargarh	—	6.36			
D.G. Khan	—	6.36			

1971-1975 under various ad hoc arrangements. Tarbela dam came into operation in 1976 to complete the components of the Indus Basin Plan. Chashma-Jhelum Link being an integral part of the Indus Basin system had been operating as such without restrictions from 1976 to 1983.

Now in a period of shortages, according to the arrangements, the scarcity has to be shared by the system, and no province should have the sole right on the Indus flow in shortage periods.

A casual comparison of canal water allowances — "cusecs per 1,000 acres culturable commanded area" — between Punjab and Sind canals will be of some interest to our readers.

With these allowances Indus Zone Canals in Punjab produced about three million tons of wheat with 8.44 m.A.F. water and Sind produced 2.3 million tons of wheat with 15.33 m.A.F. water during 1976-84. By drawing excessive water supplies from canals, Sind is being turned into a waterlogged and saline wasteland, and millions of rupees are being spent on land reclamation.

Statesmanship and mutuality of interest demand that the leaders of both Punjab and Sind look beyond such matters as the Chashma Link Canal and plan for the fullest possible utilisation of the water resources. The essential problem is that Pakistan has more water than it needs during some months of the year and shortage of water during some other months. A lot of surplus water still flows down into the sea.

Both science and commonsense dictate that the answer lies in fact that water be stored during surplus months for use in the days of shortage. For this the country needs an integrated network of dams, reservoirs, and canals so that waters from any sources can be stored for transfer to any part of Punjab or Sind as and when needed. This will also help in solving the energy crisis and in bringing the menace of waterlogging and salinity under control. Without this the dream of a green revolution in the country cannot be realised and the poor cannot be promised freedom from want.

PAKISTAN

POLITICIANS SCORED FOR DENYING IMPORTANCE OF KASHMIR PROBLEM

Lahore NAWA-I-WAQT in Urdu 21 Apr 85 p 11

[Article by Kalim Akhtar: "Why This Apathy Toward Kashmir Issue?"]

[Text] NAWA-I-WAQT, on 8 April, published a news item taken from the "India Desk" as source which said that the interviews given by Ghaus Bux Bizenjo, Sardar Sherbaz Mazari, Dr Hamida Khuhro and Sindhi scholar Ghulam Mustafa Shah to a journalist, Sayed Ziaullah Shah, and a foreign journalist have been published in the form of a book. Had these interviews been about politics, we would not have taken any notice of them, because everybody knows these people's political views. But since, in these interviews, these politicians have discussed topics that have fundamental importance for Pakistan, I had to write the following. You may call it the protest of a patriot.

First comes Mrs Hamida Khuhro's interview in which she says that for the people of Sind and Baluchistan the Kashmir issue has no importance. Even in Punjab, she says, only a special group of people want to keep the issue alive in order to perpetuate their own political importance. According to Ghaus Bux Bizenjo, when there is the question of a pact between India and Pakistan, the former is justified in demanding that neither country allow foreign powers to have bases on its soil. He explained that India does not want any foreign power to have bases in this region nor allow foreign power to conduct any anti-India activities in Pakistan. Pakistani rulers, according to him, insist that their country cannot have any relations with India without the protection of the United States.

N.D.P. [National Democratic Party] leader Sherbaz Mazari says in the interview that the fear and hatred against India is limited to the west Punjab. Nobody in Sind, Baluchistan or even the Frontier Province has any fear of India's expansionism. The Sindhi scholar Ghulam Mustafa Shah said, "Only Punjab is interested in the Kashmir issue." These views are sufficient to show how much importance these politicians give to the most vital problem of the country, and how much interest they take in the integrity of the homeland. These statements seem to have come from Indian leaders who, despite accepting the resolutions of the Security Council, go on repeating "Kashmir is inseparable from India." It is a pity that nobody in Pakistan or even Azad Kashmir had the guts to rebut the nonsense uttered by them. Nobody pointed out that these are the personal

opinions of these individuals and do not reflect the opinion of the general public. I can only join the poet in saying: "Your Friend has joined the Enemy, Where is your pride?"

It is true this issue has been neglected for a long while, but president Ziaul Haq has been raising his voice on this issue at every international forum ever since he came to power. Many a time in his interviews with foreign newspapers, he has said that the settlement of the Kashmir issue is essential for good will between Pakistan and India. The prime minister, Mr Mohammad Khan Junejo, said in his first speech that Pakistan wants to settle the Kashmir problem in a positive and constructive way. He is not only the prime minister, but also a Pakistani politician from Sind. His statement is enough to falsify Mrs Hamida Khuhro's words about all Sindhis being indifferent to this issue. We fail to see why Mrs Hamida Khuhro has expressed such views and why she is backing up the Indian politicians. She may be a great politician, but if she does not give importance to the Kashmir issue she is ignorant of the politics of Pakistan and knows nothing about the feelings of her countrymen. As for Mr Ghaus' Bux Bizenjo, enmity against Pakistan is the cornerstone of his politics. If he has any differences with the rulers of Pakistan, it does not mean that he can join the enemies of his country in their anti-Pakistan activities. All that we can say about Sherbaz Khan Mazari and Mrs Hamida Khuhro is that they would not have uttered those words if they had known the history of this problem and if they had realized that Kashmir is a question of life and death for Pakistan.

Even the leaders of East Pakistan, which seceded from Pakistan, did not hold such views as Mrs Khuhro and Mr Ghulam Mustafa Shah do on the Kashmir problem. Even after the formation of Bangladesh they write in their newspapers that the settlement of the Kashmir issue was essential for good will between India and Pakistan. We mention them because East Pakistan was not geographically connected with Kashmir, hence its leaders could ignore the importance of Kashmir. But Jammu and Kashmir are in the northwest of Pakistan. Besides being a region of Muslim majority, the sources of the rivers of Pakistan lie there. Kashmir has great strategic importance. In the words of Mr Mohammad Ali Jinnah, the founder of Pakistan, "Kashmir is our life line. No self-respecting nation can let its life line remain under the swords of the enemy" (15 days before his death).

That is why, despite all the ups and downs that have come in our way, we have never forgotten the aim he wanted us to have before us. We want to settle this problem to the best of our ability.

We expect the political parties of Pakistan to realize the importance of the Kashmir issue. If they ignore it, the Indian government will take steps to divert the water of the rivers and destroy our economy. Our defense will become weak and we shall be at the mercy of India. All I want to tell the above mentioned politicians is that they are engaged in a mission of turning their country into a desert and giving their nation into slavery. My appeal to the patriotic Pakistanis and Kashmiris is to speak out on this most important issue. Or do they agree with these politicians? Or have they totally stopped thinking about national issues?

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